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NEAR EAST/SOUTH ASIA REPORT

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CONTENTS

REGIONAL AFFAIRS

INTERNATIONAL AFFAIRS

Briefs

GCC Balance of Payments	1
Kuwait's Initiative To Be Followed	1

ISLAMIC AFFAIRS

ICO Statement on al-'Aqsa Mosque Arson Anniversary (SPA, 21 Aug 83).....	2
---	---

ARAB AFRICA

ALGERIA

Development of Algerian Economy Reported (AL-AHRAM AL-IQTISADI, No 752, 13 Jun 83).....	4
--	---

EGYPT

Manpower Ministry Arranges Final Union Election Procedures (AL-'UMMAL, 1 Aug 83).....	7
Opposition Paper Offers Complaints on Government Employment Inconsistencies ('Abd-al-Ghaffar Shukr; AL-AHALI, 8 Jun 83).....	15
Problems of Private Sector Use of American Aid Considered ('Abd-al-Rahman 'Aql; AL-AHRAM, 22 Jun 83).....	22

Leftist Journal Probes Military Influence Over Regime (Shakir Najib; AL-YASAR AL-'ARABI, No 56, Jul-Aug 83).....	25
Enormous Revenue Losses Reported on Foreign-Owned Property (Riyad Tawfiq; AL-AHRAM, 3 Jul 83).....	29
Textile Industry Owners, Workers Criticize 'Infatih' Policies (Uman Ahmad 'Umar; AL-AHALI, 8 Jun 83).....	33
Coal Production Project, Figures Discussed (Ahmad al-'Attar; AL-AHRAM, 3 Jul 83).....	35
Tax Auditor Discusses Evasion, Collection Problems, Structure (Muhammad Hasan Muhammad; AL-AKHBAR, 4 Jul 83).....	37
Nation's Granulated Sugar Production Tabulated (Ahmad Al-'Attar; AL-AHRAM, 22 Jun 83).....	41
Journal Complains of Obsolescence, Distortions in Cement Industry (Jamal Zayidah; AL-AHRAM AL-IQTISADI, No 755, 4 Jul 83)....	43
Creation of New Peasants Union Reviewed, Extolled (AL-YASAR AL-'ARABI, No 56, Jul-Aug 83).....	48
Hard Labor in Penitentiaries Abolished (AKHBAR AL-YAWM, 2 Jul 83).....	50
Problems of Stockpiling of Domestic Cloth Reviewed (Karam Sannarah; AL-AKHBAR, 24 May 83).....	53
Briefs	
General Amnesty for Prisoners	56
Mechanized Bakery Construction	56
Sugar Beet Cultivation Problems	57

LIBYA

Crisis in Relations With Iran Analyzed (Ali Nurizadaeh; AL-DUSTUR, No 294, 11 Jul 83).....	58
Libyan-Mauritanian Relations Assessed (AL-DUSTUR, No 294, 11 Jul 83).....	64

SUDAN

Information Minister Discusses Integration With Egypt (Muhammad Khawjali Salihayn Interview; AL-AHRAM, 11 Jul 83).....	67
--	----

ARAB EAST/ISRAEL

BAHRAIN

Briefs	
Cost of Living Increase	73

ISRAEL

Rubin Says Tami To Withdraw From Coalition (Jerusalem Domestic Service, 22 Aug 83).....	74
Ilia Raps UNRWA Activity for Palestinians (Shlomo Ilia Interview; BAMAHANE, 17 Aug 83).....	75
Military Industries Chief on Exports (Mikha'el Gerti; DAVAR, 23 Aug 83).....	77
Goodman on de Facto Annexation of W. Bank (Hirsh Goodman; THE JERUSALEM POST, 19 Aug 83).....	78
Golan Druze Exempted From Service, Citizenship (Ja'aqov Friedler; THE JERUSALEM POST, 22 Aug 83).....	82
Briefs	
Druze Radio Station	84
Military Industry's New Cannon	84

JORDAN

WAFA Interviews Jordanian Communist Party, Secretary (Voice of PLO, 10 Aug 83).....	85
Central Bank Governor Discusses Economic Growth, Arab Aid (Muhammad Sa'id al-Nabulsi Interview; AL-HAWADITH, 27 May 83).....	87

KUWAIT

Paper Assails Khomeyni on Pilgrimage Remarks (Editorial; AL-ANBA', 18 Aug 83).....	93
---	----

LEBANON

UAE Amal, Phalangist Leaders Comment on Israeli Withdrawal (QNA, 19 Aug 83).....	95
Briefs	
Syrian Violation of Pledge	96
Military Court Sentences	96

Lebanese Military Court Sentences	96
Mufti Lauds al-Jumayyil's Initiative	97
Gunman Attack Gendarmerie Station	97
Al-Murabitun's Statement on Arens Visit	97
Authorities Unearth 'Terrorist Network'	97
Anti-Lebanon Campaigns	98
Security Forces Foil Infiltration Attempt	98

PALESTINIAN AFFAIRS

Palestine Communist Party Official Interviewed ('Isa Interview; Voice of Palestine, 10 Aug 83).....	99
Briefs	
Political Process Supported	102
Government in Exile Discussed	102
National Charter Issued	102

SAUDI ARABIA

Briefs	
New Television Channel	104
Saudi Fund Expenditures	104
PLO Committee Assesses Lebanon War	104
Four-Month. Fiscal Report	104

SYRIA

New Projects in al-Qunaytirah Outlined (Shahadah al-Sha'bi; TISHRIN, 26 Jun 83).....	106
---	-----

SOUTH ASIA

INDIA

Gandhi Asks Party Members To Help Fight Opposition (THE STATESMAN, 5 Jul 83).....	110
Gandhi Gives Free Hand To Oust Congress Dissidents (THE TIMES OF INDIA, 6 Jul 83).....	112
Gandhi Meets With Infrastructural Officials (PATRIOT, 9 Jul 83).....	114
Finance Minister: India To Borrow Fewer SDR's (THE TIMES OF INDIA, 12 Jul 83).....	115
India, USSR To Cooperate in Engineering Production (Vinod Taksal; PATRIOT, 10 Jul 83).....	117

Assam Chief Minister Meets With Press (THE SUNDAY STATESMAN, 10 Jul 83).....	118
Assam Official Says Boundary Wall To Be Built (PATRIOT, 9 Jul 83).....	120
Analyst Tells Details of Arms Arrangement With USSR (G. K. Reddy; THE HINDU, 6 Jul 83).....	122
Anglo-French Competition To Sell Helicopters Noted (K. N. Malik; THE TIMES OF INDIA, 6 Jul 83).....	123
Rajasthan Chief Minister Drops Five Ministers (THE STATESMAN, 5 Jul 83).....	124
Foreign Affairs Panel Meets With Rao (PATRIOT, 8 Jul 83).....	126
Case for Development of Light Combat Aircraft (THE HINDU, 8 Jul 83).....	128
Bangladesh 'Liberation' Leader Meets Press (THE STATESMAN, 8 Jul 83).....	130
Commission Denies Partisanship in Kashmir Poll (THE HINDU, 6 Jul 83).....	131
Official Reviews Trade With South Asian Countries (THE STATESMAN, 7 Jul 83).....	132
West Asia a Challenge to Nonaligned Leadership (G. K. Reddy; THE HINDU, 12 Jul 83).....	133
Delhi, Belgrade, Cairo Extend Cooperation Pact (PATRIOT, 9 Jul 83).....	135
New Efforts for Peace Talks Reported in Mizoram (THE STATESMAN, 9 Jul 83).....	136

IRAN

Investigation of Elements Behind Hijacking (Al-Salamí al-Husni; AL-DUSTUR, No 295, 19 Jul 83).....	137
---	-----

NEPAL

King Receives Credentials of Four Ambassadors (Katmandu External Service, 12 Aug 83).....	142
Brief Envoy to Bhutan Appointed	143

PAKISTAN

Soviet Ambassador Urges Closer Ties With USSR (DAWN, 18 Aug 83).....	114
South Korean Ambassador Comments on Bilateral Relations (DAWN, 21 Aug 83).....	146
Political Party Issues Draft Manifesto (THE MUSLIM, 12 Aug 83).....	148

BRIEFS

GCC BALANCE OF PAYMENTS--Dubayy, 13 Aug (QNA)--The surplus in the balance of payments of the GCC countries recorded a drop of about \$33 billion in 1982 while the surplus in the trade balance recorded a drop of \$50 billion. At the same time, the value of oil exports dropped to \$35 billion. This was reported in the statistics of the unified semiannual economic release by the Gulf central banks for the first half of this year [as received] and was published in today's issue of the UAE newspaper AL-BAYAN. According to the release, the surplus in the balance of payments of the GCC countries dropped from 14.454 billion arithmatical Arab dinars in 1981, which is equal to \$49 billion, to 4.622 billion arithmatical Arab dinars in 1982, which is equal to about \$14.4 billion. The arithmatical Arab dinar is equal to \$3.1. According to these statistics, the surplus in the trade balance retreated from 29.923 billion arithmatical Arab dinars in 1981, which is equal to about \$92.7 billion, to 13.672 billion arithmatical Arab dinars in 1982, which is equal to about (\$42.4) billion. [Text] [GF141500 Doha QNA in Arabic 0910 GMT 13 Aug 83]

KUWAIT'S INITIATIVE TO BE FOLLOWED--Kuwait, 21 Aug (KUNA)--The Palestine Liberation Organization representative here "Awni Battash Sunday called on the Arab countries to follow Kuwait's initiative and delegate high-level representatives to the UN-sponsored forthcoming conference on Palestine. Kuwait's delegation to the 10-day conference scheduled for 29 August in Geneva, will be headed by Deputy Premier, Foreign and Information Minister Shaykh Sabah al-Ahmad al-Jabir. Battash expressed hopes that the Arab countries would exercise their influence in European states to convince them join the conference which [word indistinct] "the strongest international demonstration in this century supporting the Palestinian people's national rights." The conference, to be inaugurated by UN Secretary General Javierz Perez de Cuellar, will be attended by all Arab, Asian, African and socialist states and is boycotted by the U.S. and a number of its Western allies. [Text] [LD211316 KUWAIT KUNA in English 1217 GMT 21 Aug 83]

CSO: 4400/483

ICO STATEMENT ON AL-'AQSA MOSQUE ARSON ANNIVERSARY

LD211317 Riyadh SPA in English 1214 GMT 21 Aug 83

[Text] Jidda, 21 Aug, SPA--Jidda-based Islamic Conference Organisation (ICO) has called on Arab and Islamic countries and big powers to find a solution to the Palestinian people's problem before it was too late and to liberate Jerusalem from the pawns of Zionism.

The organisation's Secretary General Habib Chatti in a statement issued here today on the occasion of the Zionist attempt to burn down al-'Aqsa Mosque said the continuation of the Zionist practices was threatening the international peace.

The statement said 14 years ago the hand of aggression Zionists has [as received] extended to one of the holiest shrines of Muslims and set it ablaze in defiance of all international laws and norms and in total rejection of all official resolutions which called for the preservance of the Arab and Islamic status of the holy city.

"History had proved that the Zionist crime after 2 years of its occupation of the holy city in 1967 was part of a well-studied and evil plot aimed at the Judaisation of Jerusalem and turning it into a capital for this proclaimed entity" the statement added.

"The horrible crime had aroused the outrage of two billion of Muslims and the resentment of the peoples of the world and their deep anxiety because this holy city is being adored by all Islamic, Christian and Jewish religions." The statement said.

The statement said the Islamic leaders met immediately after this crime in their first Islamic summit in Rabat, Morocco, to announce that the danger which was threatening the Islamic holy places in the city was a direct result of the Israeli occupation of the city.

"The Islamic nation's resolve to encounter this situation and to face this criminal act was embodied in the summit's resolution to set up the Islamic Conference Organisation which beside its aims to boost Islamic solidarity and cooperation, also has a basic mission of preserving the safety of the Islamic shrines, their liberation and supporting the struggle of the Palestinian people to recover their rights and to liberate their land." The statement said:

"The Islamic people's resentment and anguish was deep-rooted because ever since the occupation of the city in 1967 Israel has continued to exact its plans and attempts to obliterate Islamic characteristics of the city, particularly al-'Aqsa which had been the target of all Israeli repeated attacks under the very nose and sight of the international community which limited its reaction to condemnation and denunciation statements only," the statement said.

"The continuation of this situation in the holy Jerusalem and other Arab land is not only threatening the Palestinians, the Islamic and Arab world but also exposing the international peace to danger because the complication of the Palestinian issue day by day is not serving the interests of any party involved in this conflict or those who intentionally support Israel aprticularly the U.S. which should be aware of the fact that American people [as received] interests required from the American administration to recognise and guarantee the legitimate rights of the Palestinian people." It added:

The statement underlined the importance of Palestinian people's unity at this delicate period in the Palestinian armed struggle.

The organisation appealed to the Palestinians to "preserve their national unity in order to liberate the holy places."

It also appealed to Islamic and Arab countries to help their brothers and Palestinians to patch their marginal differences and repeated its call to big powers to help the Palestinian people in finding a solution to their problem.

CSO: 4400/483

ALGERIA

DEVELOPMENT OF ALGERIAN ECONOMY REPORTED

Cairo AL-AHRAM AL-IQTISADI in Arabic No 752, 13 Jun 83 p 55

[Article: "Algerian Economy Is Experiencing Regular Growth Despite Drop in Oil Exports; Foreign Debts and Declining Oil Market Are Worrying Algerian Authorities"]

[Text] The economic circles in the Algerian capital believe that Algeria has succeeded in reducing its oil exports by one half while insuring at the same time a regular prosperity [growth] for its economy and a surplus in its foreign trade which it could not previously achieve with its enormous oil sales.

The latest official figures indicate that the Algerian economy has witnessed a high growth rate in the past 3 years while several other countries have been suffering from an international economic crisis.

In its review of implementation of the 5-year plan which started in 1980, the government of President Chadli Bendjedid has lauded the Algerian economy which recorded a growth of 7.2 percent in 1982, excluding oil. This growth rate is equal to the growth rate of the preceding years. The government has also noted with satisfaction that the balance of trade, which had registered a deficit throughout the preceding decade, showed a surplus in 1982 and for the third consecutive year. The 1982 surplus amounted to 14 billion French francs.

The same official figures indicate that the number of jobs created in 1982 amounted to 156,000 jobs and that this figure will rise to 160,000 jobs in 1983. The official expectations set the 1983 investment program at 105 million dinars (138 million francs), with an increase of 25 percent over 1982. The 1982 program registered a 10 percent increase in the investment implementation rate.

The same official circles have noted that in 1982, Algeria led the developing countries by allocating 70 percent of its gross national product, or more than 4 [sic] billion francs, for development.

Moreover, the financial circles concerned have noted that Algeria has not resorted to the money markets for the past 3 years. Observers explain this

position by pointing out that 3 years ago, the Algerian government stopped following the industrialization policy which had been moving at a fast rate in the preceding 10 years. This industrialization policy, which has enabled the country to possess a major industrial apparatus, had led in large part to Algeria's borrowing from the international money market when Algeria acquired enormous loans to finance its investments in the energy field in particular.

In its 5-year plan which started in 1980, President Chadli Bendjedid's government defined its goal in utilizing the existing industrial apparatus which functions better at its lower capacities through management of the economic units in a better manner.

This economic growth rate, which the government expects to register an increase in 1983--the halfway-mark year in implementing the plan--has been coupled with a large increase in the social costs undertaken by the state in the fields of health, pensions, education and subsidies for essential goods. Moving away from the tendency toward austerity, the government has decided to raise the appropriations for expenditures in this year's budget to 20 billion dinars, with an increase of 8 percent over 1980.

Even though official circles have expressed their great optimism regarding the country's economic and financial position, the Algerian Government is still focusing its attention on two points that arouse concern: The country's foreign debts and the deteriorating position of the world oil market which has affected Algeria's crude oil exports.

Regarding the first point, the Algerian authorities have stated that [good] results have been achieved in the past 3 years in the sphere of the country's foreign expenditures, the most important being the achievement of a surplus in the trade balance. These good results are compatible with the "process of repaying the economy's foreign debts--a process which began with the start of implementation of the 5-year plan."

On the oil level, Algerian official circles view the drop in Algeria's crude oil exports--a major drop bringing the exports volume down from 51 million tons in 1980 to 30 million tons in 1983--with composure and objectivity, pointing out that Algeria, which is more concerned with the oil price levels than with the export volume, preceded the other [oil exporting] countries when it implemented as of 1979 a careful policy to preserve its oil resources. In 1980, this policy was characterized by a voluntary and gradual drop in Algerian crude oil exports. These circles have added that Algeria's oil refining capabilities have increased in the past 3 years with the start of construction of the new refinery in Skikda, east of Algiers, which has a capacity of 15 million tons [annually]. In return for the partial drop in oil sales, Algerian natural gas exports have increased and the prices of liquefied natural gas have risen in the wake of implementation of the agreements concluded with Belgium and France. Algeria expects to earn additional revenues in [hard] currencies estimated at 10 million francs annually upon implementation of the Algerian-Italian agreement which provide for Italy's purchase of 12.55 cubic meters [sic] of Algerian natural gas

annually. To underline Algeria's excellent financial position, the official circles point out three significant decisions taken by the government, namely: Tripling the sum which any Algerian going abroad can take with him, establishing an annual fund estimated at 500 million francs that enables every Algerian, be he an ordinary citizen or a private contractor, to order from abroad the spareparts not available locally [third decision is not cited].

8494

CSO: 4504/485

MANPOWER MINISTRY ARRANGES FINAL UNION ELECTION PROCEDURES

Cairo AL-'UMMAL in Arabic 1 Aug 83 pp 1,4

[Article: "Final Arrangements for Union Organization Elections"]

[Text] Tomorrow Sa'd Muhammad Ahmad, the chairman of the General Federation of Workers and minister of manpower, will be holding a meeting of the manpower directors of 26 governorates. The meeting will be held in the ministry's headquarters, and will include the joint committee which will supervise the holding of elections to union organizations.

The meeting will deal with the instructions which the committee supervising the elections under the chairmanship of 'Abbas Mahmud has prepared, bearing on the nomination and election of members to the boards of union organizations in the 1983-87 term, and the issuance of these instructions in their final form.

Abu Bakr Jadd al-Mawla, secretary of the federation's fund and rapporteur of the committee to prepare for the elections, stated that he would present the rules on the measures for nomination and the elections to the meeting.

The rules include the fact that the reading and writing tests for candidates will start on 24 August and will end at 1600 hours in the evening of 3 September, the deadline for filing nominations.

The reading and writing test will be at the sixth grade primary level. The scores will be evaluated from a maximum of 10 points in the case of reading and writing both, and anyone obtaining at least five points in both reading and writing will pass the examination. A point will be deducted for each error in reading or writing. The persons who pass will receive a certificate for passing reading and writing in accordance with the accompanying Form Four. The certificate will be rendered valid by a 150-millieme stamp. The reading and writing tests will take place in the labor relations office or the multi-purpose manpower office in whose area of jurisdiction the union committee, installation or worker's place of residence are located. The members of boards of union organizations in the previous term, 1979-83, will be permitted to obtain a certificate from the union organization to which the members belong, stating that they were members of its board in the previous term, 1979-83, and this certificate will take the place of the certificate referred to in the previous paragraph, Form Five.

Nomination Applications

Nomination applications are to be submitted to the manpower department concerned, the manpower area, or the manpower office in the area of labor concentration concerned, in Hilwan, Shubra al-Khaymah, al-Mahallah al-Kubra, Kafr al-Zayyat, and Kafr al-Dawwar, by Decree 30 for 1976 of the minister of manpower and training. Nominations will be for the union committees in being in the union term 1979-83 and the new union committees to be determined by the general unions, and these will be approved by the joint election regulation committee. The temporary union committees will be considered new ones, and the general unions will present a statement on these committees, the existing and new ones, to the manpower department after they are approved. The new union committees must present applications by a quorum to be formed after the agreement of the general union, in accordance with the rules accompanying Decree 11 for 1981 of the chairman of the General Federation of Labor Unions.

The nomination applications will be submitted in person. Nonetheless, it is permissible to delegate others to submit the application by written authorization, rendered valid by a stamp, with the signature of the person submitting the nomination application and the person acting on his behalf to be notarized by the body in which he is working or the competent real estate registration department.

The nomination application must include the following data:

First name, last name if there is one, age, occupation, [illegible], financial group, place of work, place of residence, number and date of issuance of personal or family identity card, the highest educational certificate possessed by the applicant and the occupational union in which he has membership.

Nomination Documents

The nominee must submit the following documents with the application for nomination:

A statement that he has reached the legal age of majority, 21, has not been placed under guardianship, and has not previously been sentenced to a punishment for a felony or a punishment restrictive of freedoms for a crime detrimental to honor or public trust. (Form One.)

The position he holds, and the fact that he does not occupy a higher administrative position in the government or the public sector and that he has not been held liable for a fine in the private sector. The certificate will be rendered valid by a stamp of the 150-millieme class. (Form Two.)

A certificate approved by the union organization to which he belongs stating that he has been a member of it for a year. (Form Three.)

The nominations of candidates who are members of the boards of directors of occupational unions will be accepted provided that in the event they win in the elections they will not be permitted to combine membership in the board of

directors of the labor union with that in the board of directors of the professional union, and that they present material stating that they have resigned from the occupational union.

People holding higher management positions, which are positions at the financial grade of director general and above (Article 19), may not nominate themselves for membership in the boards of union organizations.

Specialized, technical or office positions at the level of financial director general, such as those of senior specialist, senior researcher or senior clerk, will not be considered to be higher administrative positions, in accordance with Table One accompanying Decree 134 for 1978 of the chairman of the Central Organization and Management Agency and Decree 1007 for 1978 of the president. Nonetheless, they will have the right to nominate themselves.

Employees who have reached legal age and continue to work in the same installation in which they have been working or in another installation of the same economic activity, whether or not their work is on a contract for a specified or unspecified period, will have the right to nominate themselves for membership in the board of the union committee in the installation in which they work after reaching legal age, as long as they meet the other necessary conditions for nomination.

The minimum quorum for nomination to membership in the boards of the union committees is:

Seven candidates, if the number of members in the union committee does not exceed 10,000.

Eight candidates, if the number of members in the union committee is greater than 10,000 but no more than 15,000.

Eleven candidates, if the number of members in the union committee is greater than 15,000. The acceptance of nominations to committees to which the requisite minimum of candidates have not nominated themselves will be reopened within a specific time after the measures of formation of the General Federation of Labor Unions have been completed.

A Review of Applications

The manpower departments will review the nomination applications to ascertain that they have provided the necessary data and documents. No application will be accepted which does not provide all the data and documents in full. The nominee will submit the necessary receipt and the general supervising committee will rule on all disputes that arise in this regard.

All nomination applications to all union committees will be set down in a list (Form Six) consisting of an original and five copies, including the name and address of the union committee and the name of the general union.

All interested members of the union committee, the general union, or the general federation can protest the lists of candidates by application submit-

ted to the department in the period stated on the schedule. These protests will be recorded in a special register, and they will be examined and discussed in the same period. The results of the examination will have to be approved by the general supervisory committee in the department. Candidates on whom objections have been accepted will be removed from the lists of candidates and the union committee and installation will be informed of this removal.

Three copies of the list of candidates (Form Six) will be submitted to the department of union relations in the ministry after removal of the names on whom objections have been accepted, and they will be allotted to a special envelope to be sealed with red wax. Names on whom objections have been made by the socialist prosecutor will be removed from the list of candidates, a copy of the final list of candidates (Form Six) will be submitted to the union committee for the final announcement of the names of candidates and preparation for the elections, and one copy will be sent to the general union and another to the joint committee regulating the elections.

The Holding of Elections

The committee or installation delegate will submit three copies of the lists to the department or the office, with the names of electors in each election committee separately, as well as copies of the form on the expression of opinions, to the number of election committees, in addition to a copy for approval and presentation to the heads of the election committees to confirm that they conform to the data on whose basis the elections are taking place.

The members of the general assembly who will have the right to be elected are those members who have had membership in the union for at least 6 months, and have regularly paid their dues up to the date of the election.

The departments will delegate the heads of electoral committees and supervisors over them.

The departments in whose jurisdiction the main center of the union committee lies must inform the departments in which the branches are situated of the date of the election a sufficient time before it is to be held.

One of the election committee or the supervisor will receive an envelope containing two copies of a list of electors, a copy of the approved form on the expression of opinions and ledgers on the union committee and the tally an adequate time before the date on which the elections are to begin, and he must be in the committee headquarters before the time for the scheduled start of the elections.

The chairman of the committee will receive the forms on the expression of opinions and will confirm that they include all the names of the candidates and conform to the authorized form. He will also receive the ballot box and all the necessary equipment for the process in the form of pens, paper, carbons, red wax and cloth.

The chairman of the committee will choose two committee members from the members of the general committee whose names are included in the lists of the electors who are proficient in reading and writing. They must be totally neutral and there must be no objections to either of them from the candidates.

The chairman of the committee will start the election process at the specified time, and will write out a ledger consisting of one original and two copies setting down the date and time of commencement of the election procedures and the names of the committee members, and the fact that the committee has confirmed that the ballot boxes are free of papers and have been locked, and that the process of taking votes has started. He will also note down in this ledger difficulties and problems and ways of dealing with them, and he will also set down the time the election process ended. The ledger (Form Eight) will be signed by the members of the committee.

In the event the voter does not know how to read or write, the committee chairman must read out the names of the candidates to him, so that he can choose those of them he wishes.

The election committee will continue with its work until the stipulated time for the completion of the election process. In the event there are voters in the committee headquarters who have not cast their votes, they will be counted and the chairman of the committee will enable them to cast their votes.

After the voting process ends, he will set down the hour at which the committee has finished taking the votes, the number of voters who cast their votes, and the number of people who failed to attend in the ledger, then will seal the apertures of the boxes with red wax and will sign the sides of the box along with the members of the committee. All the committee members will sign the ledger, and the supervisor will approve it. The chairman of the committee will submit the ledger of the election committee, the tally, the list of the tally and a copy of the list of the voters to the supervisor, so that he may deliver them to the department. Each department which has a branch of an electoral committee belonging to another department must inform the latter by telephone of the results of the election and the tally in it immediately, in person. The department will be in charge of gathering the results in its possession in order that the results may be issued and approved by the general supervisory committee in the department.

The proportion of professionals on the boards of the electoral committee may not exceed 20 percent, in accordance with the ranking of the votes the professionals receive relative to the votes of all candidates.

Formation Measures

The department will inform the committee or general union delegate of the results of the election so that measures may be taken regarding the completion of the formation measures on Forms Nine, 10, 11 and 12, and so that all the data appearing in these ledgers may be provided.

A Schedule

A schedule will be prepared for holding the elections to the union committees located under the jurisdiction of the department within the period specified for the schedule as issued by Decree 52 for 1983, with attention to the fact that the elections to the union committee must take place alongside the elections for workers' representatives to the company board of directors, in accordance with the provisions of Law 73 for 1973, at the same time.

All requests for information will be to the operations room of the joint committee to organize elections in the General Federation of Workers' Unions, telephone 740362 and 740311, and the department of union relations in the ministry, telephone 602143.

The Second Stage

Reading and writing tests will start on the morning of 21 October 1983, and will go up to 27 October 1983, in the offices of labor relations in whose areas of jurisdiction the general union is located or in the manpower department in Cairo, in the al-Mujamma' [building].

The same instructions as those bearing on the union committees will apply to candidates to general unions as regards the performance of tests and certificates proving that they have been passed, or alternative certificates.

The manpower department in Cairo will have the authority to accept applications for nominations from all general unions and complete all measures for elections in accordance with the law, ministerial decrees, and the decrees of the General Federation, in accordance with these instructions. The headquarters of the manpower and vocational training department in Cairo during the period for nominations and elections to the general unions will be on the fourth floor of the building of the General Federation of Labor Unions, 90 al-Jala' Street, Cairo. Applications for nomination and objections to the names of candidates will be submitted by the deadlines stipulated for these, from 0900 hours in the morning to 1700 hours in the evening.

The Following Documents Will Accompany the Applications

With respect to candidates who win membership on the boards of the union committees for the new term, 1983-87:

A certificate from the union committee or the general union stating that they have won membership in the board of the committee (Form 15) will be sufficient.

As regards candidates who belong to the general assembly of the general union:

A certificate of academic credentials (Form Two) or a certificate of passage of the reading and writing tests (Form Four).

Or a certificate stating that they were members of the board of a union organization in the 1979-83 term (Form Five).

A certificate from the union committee that they have spent 1 year as members of the union (Form Three).

A statement from the candidate that he has reached the age of majority, 21, and that he has not been placed under guardianship or sentenced to a punishment for a felony or misdemeanor deleterious to trust and honor (Form One A).

A certificate on Form Two from the body where the person is employed.

The general union will present the manpower department in Cairo with two copies of a list with the names of members of the general assembly of the general union no later than 10 November 1983, together with a statement to the electoral committees and the voters in each committee.

The general committee will submit voting cards to members of the general assembly containing their names, the union committee they represent, and the serial numbers corresponding to the numbers of the members on the lists of the general assembly. The submission will be made before the election date so that it will be feasible for them directly to exercise their voters' rights. No incomplete substitutes may be submitted.

The general union will prepare the site for the electoral committees, the election boxes, and the election materials in the form of paper, carbon, cloth, red wax and so forth. The general union will be in charge of publishing forms for expressing opinions based on the specific or geographical proportional breakdown in each governorate or group of governorates, approved by the joint committee to regulate elections to union organization formations.

The form for the expression of opinions (Form Seven A) will be used for all general unions.

The Third Stage

The General Federation:

The headquarters of the manpower department in Cairo will be on the fourth floor of the building of the General Federation of Workers' Unions, 90 al-Jala' Street, Cairo, during the nominations and elections.

Nomination applications as well as objections to candidates will be presented from 0900 hours in the morning to 1700 hours in the evening on the days specified.

Nomination applications will be presented on the form prepared for that purpose. They will include the data on the person's three names, the family name if there is one, age, occupation, position, or financial group, place of work, place of residence, number and date of the personal or family identity card and body issuing it, highest academic credentials obtained, the occupational union in which the person has membership, the general union to which he is nominating himself, his union status regarding the nomination, the member of the board of the general union, and the member of the general assembly of the General Federation.

The following documents will accompany the nomination application:

With respect to members of the boards of general unions in the new term, 1983-87, it will be enough to present a certificate from the general union stating that they have won membership on its board of directors (Form Five A).

With respect to members of the general assembly of the General Federation who are not members of the boards of directors for the new term, 1983-87, the following documents must accompany the application:

A certificate of passage of the reading and writing tests, Form Four, or an alternative form (Forms Five or Five A).

A declaration of attainment of majority age, and the fact that one has not been put under guardianship or sentenced to a punishment for a crime deleterious to honor and trust (Form One A).

A certificate that a year has elapsed in his union membership (Form Three).

The agreement of the general union to his nomination for membership in the board of directors of the General Federation (Form 15).

A certificate on Form Two from the employment body.

The General Federation of Workers' Unions, membership and organization secretariat, will present the manpower department in Cairo with two copies of a list of the names of the members of the general assembly of the General Federation and a statement of the names of the people the general unions have nominated for membership in the board of directors of the General Federation, no later than 24 November 1983.

The General Federation of Workers' Unions will present the members of the general assembly with election cards containing their names, the general union they represent, and the serial number conforming to their numbers on the lists of the general assembly. The General Federation will be in charge of printing up the forms for the presentation of opinions, on Form Seven A, in a manner that will guarantee that all general unions are represented.

The General Federation will prepare the election site, the ballot boxes and the necessary equipment, and the elections and tally will take place in accordance with the instructions set out in regard to general unions. Forms Nine, 10, 11, 12 and 13 will be filled out in the same manner.

In the event the bill of the bylaws of the General Federation is presented to the general assembly, the same procedures will be followed as those stated in Section 13 of the instructions bearing on general unions.

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CSO: 4504/535

OPPOSITION PAPER OFFERS COMPLAINTS ON GOVERNMENT EMPLOYMENT INCONSISTENCIES

Cairo AL-AHALI in Arabic 8 Jun 83 p 7

[Article by 'Abd-al-Ghaffar Shukr: "The Victims of Law 83 Raise New Problems!"]

[Text] While President Husni Mubarak is wondering about the role of the party press in presenting solutions to society's problems, total neglect and silence have been the position of all officials we talked to in the course of AL-AHALI's investigations into a solution to the problems that have arisen from Law 83 and the amendments to it. Stranger than that, the newspaper MAYU has published a summary of the response by Dr 'Adil 'Abd-al-Baqi, the minister of administrative development, stressing that people working in the government are not the poor people of the liberalization era. That is a response which we have not yet received in our effort to ascertain his excellency's position on these problems, and the solutions we have recommended to them. We hope that the cause for reticence has been beneficial, as far as the Manpower Committee of the People's Assembly and the Egypt General Federation of Workers are concerned, since we have not heard a sound from either of them or received any opinions from them. This is a position which is totally at variance with their great activity on the same problems in the months of November and December 1982, which was embodied in numerous radio and television panels and press conferences which brought the employees the good news of the imminent issuance of a law which would put a total end to the problem of the settlement of inconsistencies in government work.

We do not know the secret of this shift in positions, from one opposite to the other, especially since the people who have these problems are following up on what AL-AHALI's investigations have published on these problems with great interest. Some of them consider that there is no use publishing material on this issue; they do not detect any serious response from the competent bodies and the media.

In spite of that, the majority of employees insist that it is necessary that AL-AHALI continue to embrace these problems, until they receive a final solution which will realize the legitimate rights of the poor people of the liberalization era to a balance between their incomes and their living expenses.

The Rich of MAYU!

Concerning the victims of Law 83, Mahmud Salim says,

"We read in the newspaper MAYU, under the title 'They Are Not the Poor People of the Liberalization Era,' that the source of the discrepancies in the cases the newspaper AL-AHALI wrote about was the circumstances in each unit and the number of vacant positions in it and that one could not imagine that the gradual rise and promotion of employees could take place on identical dates. We believe that the answer to that statement is that the discrepancies in these cases can be ascribed to Law 83 and the laws issued to remedy the effects that derived from that, and that MAYU ignores this. On the point that it is not reasonable for employees to be equal in terms of wages and promotions if the cases are similar, that, in reality, is not reasonable in itself, and it is the main reason for the deterioration of the productivity of administrators and their frustrations. Regarding the raise it refers to as a result of the settlements in discrepancies in employment positions, that is the height of injustice, because of the blatant discrepancy among colleagues who have graduated in the same class and people possessing similar credentials. The people who have been harmed by this law are much more numerous than those who have benefitted from it. What fault have the people who possess ongoing credentials committed that the injustice toward them should continue? Isn't it reasonable to settle everyone's situation?

"Then we hear about amendments to the Law on Employees now being presented to the People's Assembly which do not include benefits but rather have restrictions on the employees. There have been enough injustices and enough restrictions. They offer people food, drink and salaries to buy that with, so that they can work and produce more effectively."

This position on the material MAYU newspaper published is supported by many workers, who asserted their support for AL-AHALI's position on the General Federation of Workers recommendation that academic qualifications be re-evaluated in accordance with a just, consolidated rule, which is the number of years of study. At the same time, they raise new problems bearing on final academic credentials, employees who are transferred to pension, and workers in the abrogated general organizations.

A Just Law Regarding Employment Positions

'Izzat Mahdi al-Ghazali of the executive agency of the General Authority for Industrial and Mining Complexes in Hilwan, al-Tabin, presented his idea on the need for the issuance of a just law on employment positions based on the recommendations of the General Federation of Workers. He requested that the application of non-promotion in positions be extended from 31 December 1975 to 30 March 19[7]6 and that schedules be drawn up for credentials showing the development in gradual raises in these in accordance with the proposed new statute for settling discrepancies in credentials in accordance with the number of years of study.

Muhammad Husayn Wahbah, in the Ministry of the Interior, considers that the principle which does not admit of debate is that which considers appointments to Grade Eight in the case of people possessing the old primary [certificate]. However, there is a difference between the preparatory education that was

preceded by the old primary education, in which instruction went on for 2 years after the old primary, and preparatory education which was not preceded by the old primary. He recommends that the grade of appointment for people who have a preparatory education preceded by the old primary, in which the period of study was 2 years, be [word missing], in addition to a paragraph eliminating the well known 6 years from the service period of the people who obtained higher credentials during service. He asserts that this recommendation concerns employees who were appointed in the fifties and served the government for 30 years, lived and persevered in the gloomiest of conditions, and were on the verge of going into retirement without being given appreciation bonuses.

Ahmad 'Abd-al-Wahhab Washahi, a financial and administrative monitor in East Cairo Educational [District], stressed the issue of eliminating the 6 years which were included in the articles of Law 111 for 1981, but were not applied to employees who were promoted to the old Grade Two (now One). He held the Central Organization and Management Agency responsible for the application of this article.

Salim al-Sifati, chief of employee relations in the internal transportation facility in Tanta, asserted that it was the government's duty to carry out the recommendations of the General Federation of Labor, which would indeed remedy all the flaws, so that all workers would be equal in rights and benefits, and there would be no discrimination. He demanded that the classes of periodic raises be increased in a manner in keeping with the rise in prices and inflation, and that priority be given to recruits in the armed forces or reserves before and after 31 December 1974, when Law 11 for 1975 went into effect, who joined companies, organizations and ministries with the end of the service or callup period, which should be computed as actual working time, giving them the right to the same rights as are included in this law.

Tawfiq Mahir Harb, secretary of the Sharbin boys' secondary commercial school, said:

"We ask you to promote a remedy to the problems in this law, and to demand that the draft presented by the Federation of Workers to remedy the problems in it be applied, not just that recommendations be reviewed, because you can be confident that the remedy will come about only if the school years are set out as the basis for evaluation." He raised the issue of people who had acquired secondary diplomas in commerce, agriculture, or industry who were not on a par with their colleagues who had specific diplomas, and he gave as an example people possessing diplomas in secondary commercial schools in 1964, preceded by preparatory schooling in the 4-year system, and their right to have Law 83 applied on a par with the teachers' diploma that is equal to ours in terms of academic years.

Final Certificates

A large number of employees talked about the problem of a group of people who are on the verge of reaching retirement age, after having devoted their lives to government service. They have academic credentials which are no longer being given out, and they have not benefitted from Law 83. The viewpoint of this group was presented by 'Abd-al-Rasul Muhammad Ahmad, Fawzi Hanna, Sa'di-

yah al-Sayyid Ahmad, Siham Radi, Michel Iskandar, Muhammad Nur 'Ali and Ibtisam Sa'd-al-Din. They summarize their views in the following points:

It is well known that Law 83 was issued to eliminate the various shortcomings in Law 371 on Educational Equivalency. Then came its general interpretations regarding the credentials to which this law did not apply. Proof of that is the fact that the application of Law 83 started with seven credentials, then an additional group of credentials was added to those, in accordance with ministerial decrees; people with the academic credentials to which it applied fell into 134 different categories, all of which are no longer being filled, are the end of a stage, or were in general use throughout the country. These three bases apply to the following credentials:

The tailoring arts credential, female culture, technical secondary, primary or secondary section, in the 4-year system, the intermediate trade certificate, intermediate agriculture, and the certificate on the completion of secondary studies, general section (culture). These were all preceded by the old primary level, and neither of them are being given out any longer. They are considered the end of the stage and are also general certificates. However, the sole point of difference between them and the 134 credentials is the period of study, since they are short one academic year (taking four academic years instead of five).

Since this in turn was an opportunity to be uniformly fair as far as employment position settlements went, we hope that justice will not pass the Manpower Committee of the People's Assembly by, and that it will agree to consider the people who have obtained these credentials to be in lower Grade Six a year after appointment and the application of the provisions of Law 83, Law 11, Law 135 and subsequent laws, while dropping 6 years from the total periods for promotion in the second appendix attached to Law 122 for 1975. Thus, it will be possible to be fair to a group of workers who have devoted the best years of their youth to the service of the government and are on the verge of being transferred to retirement; the settlement will help them obtain a pension which is in keeping with the great rise in prices.

Muhammad 'Ali Hafraj, in the agrarian reform area of Ashmun, Minufiyah, endorsed this point of view, especially since he has long expertise in following up on the settlement of intermediate credential discrepancies with competent bodies. He considers that most of these credentials have been eliminated, except for that group in the system of 4 years after the old primary level, or the system of 3 years.

Preceded by Preparatory

To that one should add the problem of employees who have obtained the general secondary certificate or diplomas from carpentry, agricultural or industrial schools, in the 3-year system preceded by the acquisition of a preparatory certificate and the old primary certificate. That is, they in reality obtained their secondary certificates after a period of study of 5 years after the old primary. Nonetheless, their acquisition of the preparatory certificate has caused them problems, since that has obstructed some of the bodies settling the discrepancies in their conditions. Al-Sayyid Mahmud al-Mughrabi, a clerk in the chemical laboratory for the analysis of food in Port Said, explained

his situation as an example of this group, and his bitter experience with the Organization and Management Department in Port Said. The department asked the manpower counsellor in the Ministry of Education to express an opinion on the possibility of settling his situation by considering that he had obtained a preparatory certificate in 1956 and a secondary trade diploma in 1962. He stated that he was entitled to a settlement in Letter 6657 on 7 November 1982, but nonetheless the Organization and Management Department has obstructed the execution of this settlement on the claim that it is necessary to prove that he took part in the examination for the secondary commercial diploma, in accordance with the 5-year system. Although he sought recourse to all the competent departments, the department is still obstructing the settlement of his situation. There are similar cases in the Governorate of al-Daqahliyah regarding employees who have obtained the same credentials; the General Commercial Education Department in the Ministry of Education has refused to include them among the cases that are to benefit from the settlements.

People on Pension

Nabih Ibrahim said:

"There is nothing poorer, more perplexed or oppressed in Egypt, or even the whole world, than old pensionnaires, especially those who left before 1971. We have presented our problem to all officials to no avail. We are not asking the impossible. Rather, we will be satisfied with mention of Rajab al-Sa'di's recommendation to the Recommendations and Complaints Committee of the People's Assembly. We hope it will be carried out. It stipulates that:

"The pensions of the people on pension who were transferred before 9 September should be increased by 40 percent to a maximum of 15 pounds and a minimum of 10 pounds a month, because they have not benefitted from all the settlement laws.

"The pensions of people who were transferred before 31 December 1974 should be increased by 30 percent, to a maximum of 12 pounds and a minimum of 8.

"The pensions of people who were transferred before 1 July 1978 should be increased by 20 percent, to a maximum of 10 pounds and a minimum of 6.

"The pensions of people who were transferred before 1 July 1980 should be increased by 10 percent, to a maximum of 8 pounds and a minimum of 4.

"Pensions should be automatically increased each year in the light of price indices or a periodic annual raise.

"The rate of investment of social insurance funds should increase from 4.5 to 9 percent, to cope with the burdens of the increase in pensions."

Muhammad Khalifah Ibrahim, inspector of cashiers in the Property Tax Audit Department in Sawhaj, now on pension, supported this view and spoke in the name of people on pension in Sawhaj, stating that they have been treated unfairly by not having Law 135 for 1980 applied to them, in order to raise their pensions. The legislators settled on giving them 5 percent, which accounts for only a minor portion of their pensions. He demanded that people

who were transferred to retirement before 31 December 1974 be treated fairly by having Law 135 applied to them.

Abrogated Organizations

The problem of people working in the general organizations which have been eliminated is no less important than that of the people on pension, since they have not benefited from the laws on the settlement of discrepancies in employment positions. Muhammad 'Abd-al-Hadi al-Manawi, in the local unit in al-Sarw, Dumyat, who had been transferred from the Egyptian General Organization for the Exploitation and Development of Reclaimed Land, stated:

"The difference in salaries between people appointed to the government and the abrogated organizations on the same date has become great, and they are also now one grade apart. Worse than that, the salaries and seniority of the people who had credentials which had not been eliminated, such as the secondary diploma in commerce, in the 3-year system, following the preparatory level in 1960, who were appointed 4 years after us, are now the same grade as we are. We hoped for good results when the General Federation of Workers embraced our just cause, but we were surprised when the minister of administrative development made a statement whose gist was that people working in the organizations that had been eliminated received benefits much greater than those that applied to them by law. One should bear in mind that I was appointed in 1956 and get benefits of 10 pounds 135 milliemes, while the monthly salary of a person who was appointed the same time I was to the government exceeds 40 pounds, while he got to the grade 4 years before I did. We are demanding that the laws on settlement be applied in our case and that the benefits go to hell."

The essence of this group's problem lies in the fact that the settlement laws stipulate that they be transferred to the government before 3 December 1973 so that it can be applied to them, because many people who were not in the government at that date failed to have the settlement laws applied to their cases.

Finally

These are just examples of dozens of cases which [illegible words] government employees, employees in the abrogated organizations, and people on pension give. They are represented by the abnormal cases which many groups of workers, the poor people in the era of liberalization, are suffering from. It is clear that the more we review these problems, the clearer the tragic dimensions of the vortex of settlements and the error of the partial view and the placatory solutions to them become to us, and the more it is confirmed that one can emerge from this vortex only by applying the recommendations which we referred to previously, foremost among them the recommendation by the General Federation of Workers that there be a resettlement for the employees on the basis of the number of academic years in their credentials, considering the old primary certificate the bases for granting Grade Two. The General Federation of Workers presented these recommendations a number of years ago, but it is observing silence now, because the recommendations are coming from the opposition. It is as if the honor of expressing the problems of the masses

must belong only to the ruling party, and, if it does not devote attention to them, others do not have the right to broach them, or, if they do, silence and neglect will be the deliberate stance of the ruling party and its men in the People's Assembly and the General Federation of Workers. The sad thing is that neglect and silence do not offer food for the hungry or prevent the poor people of the liberalization era from comparing their conditions with those of the millionaires of this era, or from suffering and looking for better solutions to their problems, which have been inflated by the economic liberalization policy and the rises that have occurred in the prices of all essential commodities, including flour, as a result of that. The greatest proof of that are the opinions which this investigation contained, from which I have deliberately excised many harsh phrases to protect the people who made them from mistreatment. Many of these opinions express exhausted patience, frustration with conditions, and an inability to bear the burdens of living on limited salaries. Will the minister of administrative development, the chairman of the General Federation of Workers, the chairman of the Manpower Committee in the People's Assembly, and the chairman of the Central Organization and Management Agency hear them? Will these people be dignified by our getting a response which is direct and does not come through MAYU? We are prepared to publish their opinions. More important than all of that, will they regain their enthusiasm to hasten the issuance of the law on the settlement of employment positions? Will we be able to learn the secret of the vacillations in their positions, between excessive activity and unjustified silence on this good issue, which touches upon the lives of millions of oppressed workers who the president said are at the forefront of his concerns?

Public Sector Employees Present Their Problems and Views

AL-AHALI has received many recommendations regarding the problems of people working in the public sector, in particular those related to the issue of the settlement of employment positions. In view of the importance of this group of employees, and in the desire to present their problems in the context of an independent, integrated study, we hope that the readers will provide us with their opinions, which should include general problems and the proposed solution to them, within a single legal-size page.

The dispute between the Manpower Committee of the People's Assembly and the government is still going on.

Most members of the committee insist that legislation must be issued on the necessary settlements in order to solve the financial problems of people working in the government, while the ministry holds to its position, which is embodied in the grant of an additional raise only to persons who have been wronged, and that integrated legislation not be issued which would resolve the matter and solve the problems that have arisen from Law 83 and the amendments to it.

The committee began its meetings last Sunday evening, and these lasted until Tuesday evening without arriving at an agreement.

PROBLEMS OF PRIVATE SECTOR USE OF AMERICAN AID CONSIDERED

Cairo AL-AHRAM in Arabic 22 Jun 83 p 9

[Article by 'Abd-al-Rahman 'Aql: "How Is the Private Sector Spending American Aid Money?"]

[Text] Dr Wajih Shindi, minister of investment affairs and international co-operation, has issued a decree on the rules for private sector disbursement of sums provided by the American aid program. These are aimed at prompting the Egyptian private sector to contribute to the development plan and also to offer some [money] from the aid program to economic units being established in accordance with Law 43 and amendments to it to operate in the export area, through commercial and joint banks which are contributing to the execution of this program through loans to the productive private sector.

Loans for the project to import investment, intermediate and raw materials from the United States will be financed, but luxury or consumer goods will not, nor will goods which are re-exported in their original condition.

Tax Cards Will Be Enough

The decree issued by the minister of investment contains the measures to be followed by importers and people in professions, such as doctors, engineers, lawyers, agriculturalists, and so on. Tax cards, in the case of these professions, will meet requirements, while importers will have to have commercial registration as well as tax cards. The relending of money from this project to clients in the private sector who are operating in areas which the private sector will be given an opportunity to function in will be assigned to the banks carrying out this project, that is, the main and joint public and private sector banks, provided that other banks be permitted to work through those banks.

In accordance with Law 43, the Law on the Investment of Arab and Foreign Capital, investment companies contributing to exports, if they make contributions in the field of exports, will have the right to receive sums of money from this project if they do not exceed the value of their export activities for the previous financial year, and do not exceed the maximum limit of the amounts they are permitted for transactions, which is \$500 million. No client will be permitted to spend sums in excess of this value to finance the purchase of the same goods, or similar ones, until he has obtained the agreement of the section on economic cooperation with the United States, and permits may not be granted to disburse

sums from this project in excess of \$1 million to any client to import different goods within 12 months starting with the date the first credit is opened.

Serious Followup

The American International Development Agency in Cairo will furnish the banks with a list of American goods that can be imported from the United States through financing from this project and all the amendments that are made in it. The banks will be careful not to open any letters of credit to import commodities to be deducted from the receipts of this project, other than the commodities included in these lists. The agreements that are issued financing commodities imports in the framework of this project will be suitable for execution in a maximum period of 3 months from the date of the issuance of the agreement, and renewal of it may be reviewed in accordance with the special circumstances of each case in isolation, on condition that the client present a renewal request 15 days before this period ends.

The banks providing the loans may not open any letters of credit for any person except for those on whose behalf the preliminary invoice has been issued by the American supplier, and the disbursement agreements may not be transferred to other persons. Letters of credit which are opened to import raw materials and intermediate goods will be valid for a period of no more than 6 months. Letters which are opened to import investment goods will be valid for a period of no more than 1 year.

The banks providing the loans will provide the economic cooperation sector in the Ministry of Investment with a detailed monthly statement on the letters of credit they have opened in the previous month, and will send a copy of this to the Ministry of Finance, the Central Bank, and the American International Development Agency in Cairo.

Opening Credit and Letters on the Basis of the Declared Exchange Rate

The measures that are to be followed stipulate that the banks carrying out this project pay 25 percent of the value of letters of credit which are opened to final users and 40 percent of the value of letters of credit which are opened for purposes of transactions, when the letter of credit is opened, on the basis of the declared exchange rates of the group of commercial banks on that date.

The banks carrying out the project will pay the deferred portion, and the client will pay the deferred portion of the value of each transaction to the bank as follows:

In 3 years, in the case of investment goods.

In 18 months, in the case of intermediate goods.

In 12 months, in the case of raw materials.

In 6 months, in the case of goods for commercial purposes.

Dr Wajih Shindi stated that people wanting access to money in the context of this project should present themselves directly to one of the banks carrying out the project, or any bank which acts through these banks, to finance their imports. The banks carrying out the project must obtain the agreement of the economic cooperation section in the ministry in the event the desired amount is greater than \$500,000 per client. The letters of credit that are opened to import raw materials and intermediate goods will be valid for a period of no more than 6 months, while those that are opened to import investment goods will be valid for a year.

The minister of investment and international cooperation added that the list of commodities suitable for financing for trading purposes by the project for private sector productive facilities includes 20 items, including construction materials, compressors, generators, heavy equipment, welding machinery, winches, cranes, heavy trucks, irrigation equipment and prefabricated buildings.

He added that the banks that have been granted permits are the Arab Investment Bank, the Bank of Alexandria, the Bank of Egypt and Cairo, the Chase Bank, the National Bank, the Industrial Development Bank, the Egyptian-American Bank, the Egypt-Iran Bank and the Egyptian National Bank. Other banks which have permits will be allowed to conduct operations which are in keeping with the relevant rules, in order to benefit from these facilities through the main joint banks.

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LEFTIST JOURNAL PROBES MILITARY INFLUENCE OVER REGIME

Paris AL-YASAR AL-'ARABI in Arabic No 56, Jul-Aug 83 pp 18-20

/Article by Shakir Najib: "The Crossroads in the Struggles in the Ruling Coalition"; Paris AL-YASAR AL-'ARABI in Arabic; monthly organ of the Egyptian Communist Party/

/Text/ It is extremely risky to portray the inflamed, escalating crisis within the ruling coalition in Egypt as an expression of a contradiction between a nationalistic current and another current which is subservient to foreign powers, although it is closely connected to the growth of the class struggle in the society, the resurgent national movement and the development of the social and political struggle of the toiling masses of the people, along with the aggravation in the political and economic crisis.

The struggle over the center of dominance and hegemony within the power system is going on between classes and groups which belong to the same camp of subservience. There are the shrewder wings, which call and act for a "rallying of the ranks," the creation of a state of balance among the parties to the ruling alliance, and a refusal to be influenced by movements which go to excess in their parasitical inclinations, while they attempt to co-opt and subdue the opposition by various means of enticement, intimidation, maneuvering and provocation of struggles and rifts within its ranks. Then there are other wings which consider that they cannot afford the luxury of maneuvering in the contest of the growing crisis of the regime and the polarization within society, and also refuse to relinquish some of their gains and tend to monopolize decisionmaking and choose the easy road to enrichment and rule by oppression and terror.

It has been observed that the latter tendency is the one that is growing strong, becoming consolidated and attracting most of the parties in the coalition. The struggle has not been resolved yet, although all evidence confirms that we are getting close to the moment of decision.

Although the struggle is taking place among specific social classes and groups, it appears, on the surface, to be a struggle among institutions, currents and personalities. It is well known that the center of the higher command consists of five persons who symbolize the main institutions, although there are differences and overlaps in the class influence within them: Mubarak (the institution of the presidency), 'Abd-al-Halim Abu Ghazalah (the army), Abu Basha (the police, Central Security, and General Intelligence), Fu'ad Nassar (Intelligence), and Fu'ad Muhyi

al-Din (the National Party, which controls the executive power). This is the actual leadership which works together in the regime; to that, officially, one can add some persons such as Kamal Hasan 'Ali, the deputy prime minister and minister of foreign affairs, Sufi Abu Talib, the People's Assembly, and Subhi 'Abd-al-Hakim, the Consultative Assembly.

Some institutions which are distinctive by virtue of their influence and their role (each of which has its own distinctive character within the context of the institution of power as a whole) are fought over, or shared, by a number of elements. Some persons who were removed from their official positions possess power that might be less than the influence of major officials. An example of this is the influence 'Uthman Ahmad 'Uthman possesses, which is not restricted to the economic institutions but extends and branches out into various institutions (the National Party, the executive power, the army and so forth); he is careful to implant his bases in these institutions by direct means, through the advertisements of his companies "in the Military Economic Organization" (which belongs to the armed forces and carries out extensive repair operations), or indirectly, for example by appointing senior officers, including those who were terminated or sent away after the "incident of the podium," as soon as they leave army service to one of his companies at a salary ranging from 500 to 600 pounds. Perhaps significant examples of the ramifications of his influence were the amendment he introduced into the Law on the Engineers' Union, to serve his "list" by granting members of the union board the right to be elected more than twice (while the new lawyers' union law stipulates that this right be abrogated!), and the agreement reached secretly between him and the army commanders over a common list from which a number of the candidates of both sides were eliminated.

One observation it is worth recording concerns the "brilliant star," Abu Ghazalah, the minister of defense and commander of the armed forces. The press has been careful to give prominence to his pictures, movements and conversations, in which he goes beyond his field of specialization to "render judgment" on all national, economic and social issues. He has given prominence to the role of the army in solving the "problems of the masses." There is a latent struggle between him and his competitors for the vacant position of vice president, and there has been talk about his insistence on following up on the "campaign against corruption" in confronting the opposition of the pillars of the ruling party and the prime minister, since this campaign has ensured that his most important competitors for this position, Mustafa Khalil, Mamduh Salim, Sufi Abu Talib and Fu'ad Muhyi-al-Din, would be eliminated because of their implication in questionable transactions although he himself has been subjected to similar suspicions about conduct related to the economic and military institution.

Are Preparations Being Made for Military Rule?

Abu Ghazalah's movements have stirred the fears of competing forces, especially President Mubarak, because of his tenacious adherence to both of his positions. This is something the office of the president has avoided since 'Abd-al-Hakim 'Amir held the two. It has also been observed recently that the military police has gone down to the streets of Cairo in force, raising questions; he has justified this on grounds that he was training them in traffic control.

Ahmad Abu al-Fattah wrote an article on 11 September in the newspaper AKHBAR AL-YAWM, in which he praised a radio interview of Marshal Abu Ghazalah's "which was not confined to military matters, but included many serious things which we must proceed to pay attention to." He gave an example of his views on international, Arab and economic affairs, education, and management. The writer paused at his statements that "the head of any agency must possess the power of punishment and reward, and every head has a head who is watching his acts. If he goes beyond fair limits, he is punished, and so forth!"

These are his conceptions of genius of the style of administration, government, and "democracy." The features of the fascist mentality are not hidden behind these postulates. A pyramidal organization of dictatorial elements will bring about divine justice by the power to punish and give rewards!

Grumbling in the Army

However, the institution of the armed forces is seething with various currents, and anger has dominated its lower and middle levels over the policies the people in power are pursuing, headed by the policy of arms procurement which is being carried out under the slogan "diversification of arms sources" but in reality depends on the United States, which in effect has stripped the army of effective weapons and has obtained arms procurement expenses, which have risen by 25 percent in the new budget, by fraud. There is grumbling over the permissive stands taken regarding Israeli aggression, at a time when the army is being mobilized for adventures and interventions to support puppet regimes and provoke nationalistic ones. The opposition over the neglect of sovereignty by granting military bases has expanded, and that has led to the regime's rejection of the contemptible conditions which the Pentagon demanded regarding the Ra's Baniyas /sic/ base (a signed treaty and total American supervision). The regime also retreated from the decision to sell aircraft production plants to an American company under the pressure of opposition in the army.

The book by Muhammad Hasanayn Haykal, "Autumn of Fury," has raised the issue of the "political leadership's" responsibility for the destruction and waste of the initial victories the armed forces won, which reached the level of high treason; that, and Kissinger's memoirs, have had a severe impact on various political forces. Although the reaction from the "nationwide press" and circles in the ruling party and the government may have exploded with equal violence, there is no doubt that the reactions within the armed forces, which are controlled by discipline, were no less impassioned.

Mubarak Is Borrowing His Predecessor's Methods

President Mubarak's attempt, in the 1 May speech, to satisfy the various parties to the struggle within the power system, and his vicious attack on the opposition failed to achieve its objective.

Although the Egyptian president, at the start of his term, had indicated that he would abstain from the methods of his predecessor, who had inundated the media with his person and movements, here he is imitating him: his pictures, movements

and conversations occupying inordinate space in the newspapers and the media (especially television, which compels the persons watching to follow up on his visits to installations and rebroadcasts them numerous times), and posters on him are spread about in various squares and roads. His foreign and local movements have been energetic and his statements have extended to the Arab press (he gave two interviews in a single week, to the magazines AL-HAWADITH and AL-NAHAR AL-'ARABI). Thus the concept of the worship of the individual is returning, so that he may support his position in power and his position on the conflicts that exist within the ruling coalition.

The Commercial /Union/ election campaign revealed the ramified nature of the struggles, and the fact that they were inflamed to the point of physical violence; a blowup occurred between a bloc led by 'Uthman Ahmad 'Uthman and Rashad 'Uthman, which was behind Dr 'Abd-al-Razzaq 'Abd-al-Majid (the former deputy prime minister), and the bloc of Fu'ad Muhyi-al-Din, who supported Dr Husayn Tawfiq (chairman of the Central Organization and Management Agency).

The Directions and Content of the "Change"

In this atmosphere, there is news of changes in leadership positions in the armed forces (whose significance it has so far been difficult to divine), then talk about the imminent execution of important changes in the National Party and the cabinet, and predictions that Kamal Hasan 'Ali will be appointed prime minister, Fu'ad Muhyi-al-Din will be moved over to the leadership of the National Party, and the aid of some "nonprofessional" persons will be sought.

It is to be observed that Kamal Hasan 'Ali has recently "become a specialist" in making statements which will satisfy the most backward forces, and, of course, Washington. Among these, for instance, was his response, to a question on Egypt's position in the event Israel ventured to commit aggression against Syria and the extent to which Cairo would commit itself to the mutual defense treaty, that Egypt, after making peace with Israel, absolutely no longer considers war pertinent."

Then there are the accusations directed at the Soviet Union, of obstructing the resolution to the Lebanese problem, "by using Syria and the Lebanese parties allied with it," and so forth, as he offers justifications for being assigned the new position.

It may not be possible to predict the outcome of the current struggle, but, in any event, it will not lead away from the context of subordination and the platform of proceeding in the cavalcade of the imperialist West, whether the regime resorts to maneuvering in an attempt to improve its image and plant illusions among those who are addicted to it, with the objective of softening the inflamed struggle between the camps of revolution and counterrevolution, or to seek refuge in the methods of direct repression. However, the deterioration of economic and social conditions and the aggravation of the crisis of the government lead one to assume that even in the event the first alternative is chosen, "its life will be short," since the regime does not have the luxury of maneuvering within the democratic game, and the limited amount of democracy that has been won is thanks to the mass struggle.

11887

CSO: 4504/483

ENORMOUS REVENUE LOSSES REPORTED ON FOREIGN-OWNED PROPERTY

Cairo AL-AHRAM in Arabic 3 Jul 83 p 3

[Article by Riyad Tawfiq: "Before these Fortunes Slip Out of Our Hands!"]

[Text] One of the most peculiar mistakes that occurred when foreigners were leaving Egypt was this: the law stood idly by and watched as the treasury lost the fortunes that foreigners left behind, fortunes the treasury was fully entitled to.

In the city of Ismailia one person took possession of 25 buildings left behind by foreigners who had left the country. He refused to make any deals that would have made these buildings the property of the treasury.

In the city of al-Zahra' 18 gangs took illegal possession of 1,714,000 meters of buildings left behind by their foreign owners who had left the country. The treasury lost more than 1 billion pounds [in this case], the price of this land.

On the northern coast foreigners left 15,120,000 meters that are suitable for construction. People who make a living taking away other people's property by force vied with each other to take illegal possession of this land, and they sold it for millions of pounds.

[The case was the same] in al-Ma'adi, in al-Qalyubiyah and in numerous locations where there were other fortunes that had no owners.

The question now is this: why is it that a law has not yet been issued restoring these fortunes to the treasury before possession of that property by those thieves becomes final and the state loses fortunes that it is fully entitled to?

If Egypt's conditions, with its requirements for domestic spending or for the payment of debts, make it imperative that there be a listing of every possible source of income for public funds, it becomes a matter of national duty for all responsible agencies to assemble these fortunes together expeditiously.

Although the provisions of Article One of Law Number 71 stipulated that fortunes left behind by people, regardless of their nationality, who die leaving no apparent heirs become the property of the state, that law made no reference whatsoever to property and fortunes that are left behind by people, either foreigners or Egyptians who are no longer living in the country. The need for such a law

emerged after foreigners left the country for good, specifically during the Tripartite aggression on Egypt and during the June war. As soon as these foreigners began leaving Egypt, groups of people emerged who make their living by taking illegal possession of property whose owners are gone, property that is not protected by law.

The cities on the canal in particular were an important scene for these operations. Cities on the canal were full of foreigners, and their property was scattered everywhere. When they left, there was a flurry of people taking illegal possession of and seizing this property. There were so many such operations that among the scores of cases on record, treasury records show one astounding example of this peculiar situation. One person in the city of Ismailia was able to take possession of 25 buildings that were owned by some foreigners who had left the country for good. This was during the June aggression. So far he has not been questioned about the revenues from this real estate, and he refuses to make any deals that would have these buildings become the property of the treasury. When the treasury took him to court, no specific law could be found on which it could base its claim of taking over this wealth. That person's attorney had argued that the treasury was not entitled to take over this wealth. The treasury then filed another lawsuit to declare those foreigners deceased so that it can intervene in accordance with the law that gives the treasury the right to intervene in a case where a person, who has no heirs, dies and leaves a fortune. The lawsuits have been in the courts for years, and the property is still controlled by that person. If the treasury fails to obtain a ruling that all these persons are to be considered deceased, all this wealth will be lost to the treasury forever, and it will have been wrongfully gained by one person.

The State Loses a Whole City

Among the reports that Jamal Labib, director of the treasury, showed me to explain the question that this agency was now going through were ones [containing] facts that almost astounded me completely.

In a city called al-Zahra', located near the suburbs of al-Matariyah Police Precinct and Misr al-Jadidah, a group of foreigners--specifically, Yusuf Franco, Ely Levy Marco, Rufa'il Marco and (Farinu Bailey)--left [the country and left] their property behind. That property was land for construction whose area was exactly 9,714,000 square meters. A report to the administrative control office relates the measures that were taken--measures that were almost comical--after the foreign owners left the country.

A few individuals and a few gangs who specialize in taking illegal possession of other people's land were able to use al-Zahra' as a staging area for their activities. According to the report the number of gangs controlling the area amounted to 18. There is a file on each one of these gangs in a department in the Real Estate Records Office that fights the illegal seizure of land. Established in each one of these files are the name of the gang leader, the names of the gang members, the scope of the gang's activity and the areas the gang was able to seize.

No one has been paying attention while all this was going on. No one has been thinking of what is due to the state while these gangs sell almost all the land,

the 9 million square meters. "Recently, when the treasury tried to interfere," adds the director of the treasury, "these gangs produced sham sales contracts issued by the owners who had left the country years ago. They produced court rulings showing that these contracts were authentic and effective, and they also produced records showing that these contracts had been recorded. They produced a well-known series of documents that may be obtained by any person who would engage in a simple operation of tampering [with the records]. This would involve no more than transcribing a sham contract, coming up with sham witnesses, obtaining a court ruling in the absence of the owners that the contracts are authentic and effective and recording a contract about which a ruling was issued.

Yusuf 'Ilaywah, director of [title] search and ownership in the Treasury said, "The Treasury can prove quite easily the sham operations that these gangs carried out. The Treasury has papers and documents, and it has the original signatures of those foreigners. All this will enable the Treasury to prove that those who illegally took possession of that land forged papers. Assuming that a meter would sell for 100 pounds, the cost of that land would be at least 971 million pounds.

However, the Treasury is also awaiting a law that would enable it to interfere in such operations. This law would allow the state to assume ownership of fortunes belonging to foreigners who are no longer living in the country or Egyptians who have no apparent heirs. Such a simple provision would enable the Treasury to take action to prevent the loss of these fortunes.

Will Another 15 Million Meters Be Lost?

If these fortunes that are being lost now in the city of al-Zahra' are so huge, then [one can say that] the story of the northern coast may be added to this series of stories of lost fortunes that the state, which has a legal right to them, is losing now.

In the northern coast area 19 foreigners owned land in that area--this was an area of exactly 3,600 feddans [or] 15,120,000 square meters. All of that land along the northern coast, which is suitable for construction, is now being actively developed. When these foreigners left the country a few years ago, they were not able, as all reports affirm, to sell one inch of this land. When they left the country and in the absence of a law that would let the state assume ownership of this wealth, people who make a living by taking illegal possession of land descended on that land from everywhere, each seizing one area and then selling it quietly without having any owner disturb his peace and threaten the fortune that had come to him out of the blue or been given to him by the sea to the north as a gift, an allowable catch of fish granted by the long coast to anyone who would take possession of it first.

Treasury officials placed a large number of files on a broad desk. Each file contained an account, and these accounts were almost alike. The question may almost be stated in one sentence spoken by the director of the Treasury, "We are now awaiting legislation that would give us the power to take action to stop such illegal possession [of property]."

I picked out a few files. Figures about fortunes here and real estate there jumped out of the files in front of me! In al-Qalyubiyah Jaqueline Shukri Banut

emigrated and left 73 feddans behind. Since she emigrated, the disputes over that land have been endless. In al-Ma'adi (Mandel Bukashiyan), a Jew left 525 square meters [when he left the country]. Also in al-Ma'adi a British citizen, Doris (Ajub) left 5,238 meters in Hawd al-Tabiyah; the price of this land was estimated to be over 1 million pounds. There are numerous disputes over this land, as there are over numerous other locations in Egypt. Each one of these locations is the site of a fortune owned by a foreigner or an Egyptian who emigrated from the country leaving that fortune an easy catch for those who make their living by taking illegal possession of other people's property.

A Percentage To Anyone Giving Information about Illegally Acquired Wealth

Although information about these fortunes is now piling up in the files at the Treasury's administrative offices, the most peculiar thing that is happening now is this [virtual] deluge of reports about fortunes that foreigners left behind. Some citizens are voluntarily reporting on these fortunes to the Treasury. However, those who are coming forward to identify most of these fortunes are asking for a percentage of this wealth. According to a request by the director of the Treasury, this [reward] may not exceed 2 percent of the value of the illegally acquired fortune that is reported on and identified. The Treasury estimates that setting this percentage as [a reward] for information about illegally acquired fortunes will increase the number of such fortunes that are exposed in a manner that cannot be overlooked. Many people will thus have an incentive to come forward to the Treasury with all the information they have about real estate, farm land, personal property or gold left behind by foreigners or Egyptians who have emigrated from the country.

Now, however, all this depends on the prompt and decisive intervention of Egyptian legislators to fulfill the request of the Egyptian Treasury which is now going through arduous struggles with the most recalcitrant of those individuals who make a living by taking illegal possession of other people's fortunes. Legislators are now being asked to enact a new law that would give the state the right to acquire ownership of all fortunes left behind by foreigners or Egyptians who emigrate and who leave no heirs to their fortunes. When such a law is issued, defining the right of the Treasury, that agency will then have the right to take action on behalf of the state to save these fortunes from those who are illegally taking possession of them and return them to the entity that is legally entitled to them.

8592

CSO: 4504/465

TEXTILE INDUSTRY OWNERS, WORKERS CRITICIZE 'INFITAH' POLICIES

Cairo AL-AHALI in Arabic 8 Jun 83 p 4

[Article by 'Umar Ahmad 'Umar: "Tricot Spinning Plants Facing Shutdown; Plant Owners State, 'Infitah Policy Is Hurting Our Interests as a National Industry'"]

[Text] Private sector plants that manufacture underwear are facing numerous problems because of decisions made by the government providing basic support to companies established under the economic liberalization policies.

Mustafa al-Nashar, proprietor of a tricot spinning plant explains the problem and says, "In 1973 the price of 1 kilogram of tricot yarn was 95 [piasters]. With the crippling wave of high prices that swept the country due to the implementation of the economic liberalization policy, the price rose in 1975 to 152 piasters. This increase accompanied the elimination of the quota system according to which we used to receive a certain quota of yarn from public sector companies. But that was not the end of the matter. In 1978 the crisis peaked when the price for 1 kilogram of tricot yarn reached 202 piasters, and the disaster was aggravated," as al-Nashar says. "On the one hand, prices rose, and on the other hand the country became virtually inundated with imported goods. As a result of that some factories suspended operations and were forced to lay off workers."

'Isam Zakariya Najati, the owner of a plant and director of the Cooperative Society for Manufacturing Ready to Wear Clothing, says, "The shortage in tricot production is due to the fact that the state entered into contractual agreements to export large quantities of unprocessed yarn to the United States and the Soviet Union."

Responding to Mr Najati another plant owner says, "This international contractual agreement is something that was done recently; the crisis antedates it." The person who subscribes to that opinion thinks that the state should have exported manufactured, not unprocessed tricot, particularly since a country like the Soviet Union is prepared to buy it. "The United States, in the mean time, is importing the unprocessed tricot to manufacture it and then re-export it to other countries."

Most people who work in these plants agree that the government's policy in this regard hurt the national plants which are now operating at only 20 percent capacity. The country will thus be forced to increase its imports of underwear which will be sold to consumers by social parasites at exorbitant prices.

Proprietors of these plants raise a number of points [as suggestions] for remedying the situation.

[They are proposing] that the state change its policy of exporting unprocessed tricot yarn and produce instead ready-to-wear underwear so that we would not once again go back to the days of the British occupation when we used to export raw cotton to Manchester and Lancashire and then import that cotton as manufactured clothing.

[They are proposing] that controls be intensified on outlets distributing unprocessed tricot yarn so that black market merchants would not be able to take advantage of the opportunity and line their pockets at the expense of the Egyptian consumer and the Egyptian producer.

[They are proposing] that imports be limited as long as we have plants that can meet the needs of the local market.

8592

CSO: 4504/465

COAL PRODUCTION PROJECT, FIGURES DISCUSSED

Cairo AL-AHRAM in Arabic 3 Jul 83 p 9

[Article by Ahmad al-'Attar: "Where Does the Coal from al-Magharah Go?"]

[Text] 450,000 tons for the 'Uyun Musa power plant, and
150,000 tons for manufacturing coke.

A company specializing in coal is to be established.

Geologic studies and research indicated that coal reserves which may be mined in the area of al-Magharah amount to 27 million tons. There are also encouraging possibilities that there may be other reserves up to about 16 million tons. It is expected that coal production will start the second year of operations with a capacity of 125,000 tons of coal. This will be increased gradually until the planned production of 600,000 tons a year is reached during the 6th year of operations. The coal project will [then] be turned into a coal mining company.

Dr Muhammad al-Bahi 'Isawi, director general of Geological Surveying and Mineral Resources Organization, says that there are 27 million tons of coal in reserves that may be mined. He says that 21 million tons will actually be produced by using modern automated methods. "The possibilities are encouraging that there may be new reserves, up to about 16 million tons. Production is expected to begin the second year of operations, and production capacity will be about 125,000 tons a year. This will be increased gradually until the planned production of 600,000 tons a year is reached during the 6th year of operations."

Production was designed so that the volume of production at maximum capacity would be 600,000 tons produced from two shafts, each of which is 200 meters long. The mine is between 30 and 35 years old.

Dr Muhammad al-Bahi 'Isawi added he would earmark 150,000 tons of production for use in the coke plants in Hulwan. This coal would be mixed with other imported coal to produce the coke that is necessary for the iron and steel plant. The rest of the coal that will be produced, 450,000 tons, will be earmarked for use in the power plant that will be built near 'Uyun Musa in Sinai. Its capacity will be 600 megawatts, and it will need about 25 million tons of coal a year. Construction of that plant will take from 5 to 6 years, the period during which production is to reach maximum capacity. The coal that is produced will be transported to the areas of consumption by vehicles; it will be transported from the mine

to the area of 'Uyun Musa. Coal that is earmarked for coke production--150,000 tons--will be shipped later across the gulf from 'Uyun Musa to al-Tabin and from there to Hulwan by rail. About 620,000 workers will be employed; their annual wages will amount to approximately 2.5 million pounds.

At the present time the necessary contacts are being made to obtain the funding that is necessary for this project. Total costs for the project amount to about 98 million pounds. At the present time the necessary measures are being taken to form a committee to manage the al-Magharah coal project. This committee will provide technical supervision for the coal extraction operations. After that the project will be turned into a coal mining company.

8592

CSO: 4504/465

TAX AUDITOR DISCUSSES EVASION, COLLECTION PROBLEMS, STRUCTURE

Cairo AL-AKHBAR in Arabic 4 Jul 83 p 5

[Article by Muhammad Hasan Muhammad: "The People's Opinion: Who Is Responsible for Tax Evasion?"]

[Text] Taxes in Egypt are not just the sovereign revenues of the government; they are what everyone who works and makes a profit under its aegis and protection owes it so that it can realize its goals of developing society and providing the necessary services for its subjects.

Since tax receipts represent a substantial portion of the government budget, and consequently a deficit in its development plan and the plan for development, since any shortfall in tax revenues represents a deficit in the government budget, and thus a deficit in the development plan and an inability on the government's part to achieve its objectives, any increase in tax revenues will represent an increase in services and the completion of the development plan on schedule.

The spread of the phenomenon of the failure to pay what is owed the government has been observed recently among some taxpayers. This is embodied in the amounts due the Tax Department, and it is called "tax evasion." We will therefore discuss the factors that affect this phenomenon and the necessary remedy to prevent any discussions from occurring in the financing structures of the country, so that tax justice may prevail among the members of this nation.

The Tax System

The tax system in Egypt requires that the tax laws be restudied so that the loopholes which mar it may be remedied. Among these are:

A lack of precision in the formulation of the tax laws, so that as soon as a law is issued many loopholes appear in application, influencing the regular execution of the law in the minds of the taxpayers or the people working in the tax field. One example of this is the controversy that arose when Law 46 for 1978 was issued preventing the deduction of private family expenses from the tax on salaries, when the general income tax liability is determined. After that, the Tax Department, 3 years after the law was issued, put out its own instructions in Periodical Publication 23 stating that the stipulated sums governing family burdens in the tax on salaries must be deducted when determining general income tax during the period in which Law 46 for 1978 has been in effect.

A conflict among income taxes regarding items subject to tax and entities. For instance, we find Law 102 on Legal Assessments for 1958 and Law 77 for 1969, on whose basis the criteria were set for holding certain commercial installations liable on a basis of the first accounting year (the base year) /which represented/ the net profits and taxes due for a number of years, which on some occasions could come to 6 years, that is, assuming that the activities and profits of the installation were stable for a period which could be as long as 7 years: this cannot be compatible with economic activity in any country in the world.

After legal assessments were abrogated in 1978 and accountability began to be made on the basis of the actual profits in these installations, big differences appeared in the net profits on which taxes were due; on some occasions, these came to 10 times what the installation had been paying. The effect of that on the psychology of the taxpayer, and the fact that the Tax Department appeared as an unjust collection body, at a time when it was working to modify wrongful conditions and determine the monies owed it in a just manner, was no secret.

In addition, there was Publication 21 for 1980, which required that the Tax Department rely on the declarations of taxpayers as they were submitted, if they were approved by an accountant, and that it content itself with sample investigations of installations at a time when, upon inspecting the accounts of the biggest, stablest companies such as the public sector companies, big differences in tax declarations appeared and consequently between the tax bureau and the installation, as well as the account auditors and tax officers who investigated the books and reviewed the installation's tax declarations.

Inequality among everyone before the tax law. We could find some installations engaged in a specific corresponding activity exempted from final taxes on grounds that they were established by special laws, while others that were competing with them in the same activity, including some installations owned by the government, were subject to tax, or we could find some bodies whose employees were exempt from some sections of tax liability, while other members of the society were subject to the same sections, with the consequent bad effects on the psychology of individuals, or inequality of opportunity for honorable competition among these installations. Such exemptions should be considered veiled subsidies for these installations, though their activity does not need that.

The proliferation of tax exemptions and the lack of universality in the face of tax laws. Some laws issue tax exemptions for bodies or persons which are not included in the Tax Law. There must be coordination among the laws that are issued, so that the Tax Law can encompass all liabilities or exemptions involving the tax.

Taxpayers

1. There is not enough clarity in the Tax Law for every taxpayer to be able to feel that he is equal with all other members of the nation before the Tax Law in terms of liabilities and exemptions.

2. There is an absence of service performed by the government in a clear form and to an extent adequate to make the taxpayer willing to pay taxes in a satisfied spirit, considering that that is a right the government is owed by him.
3. There is a failure to hold taxpayers accountable for their real profits, tax year by tax year in succession, so that their status vis-a-vis the Tax Department can be spelled out.
4. There are no deterrent penalties in the Tax Law which can be imposed on taxpayers who present information that is not correct or hide their real profits.
5. There is no coordination with the Union of Accountants (commercial accountants) to intensify penalties on all accountants who approve incorrect information which is presented to the Tax Department and results in the loss of money due the government.

The Tax System

[1.] The Tax Department concentrates on quantity in examining files, but does not take the quality of each file into consideration, or the time each file requires in order for the documents to be read and accurately reviewed and data gathered. This could require time, if the examiner is to arrive at the taxpayer's real profits, in the light of which he can determine the taxes due.

2. The absence of accurate data from bodies that deal with each taxpayer or bodies conducting oversight over their activity which can be at the disposal of inspection officials when needed.
3. The failure to add new branches in a manner that is in keeping with the constant increase in the country's economic activity and the consequent constant increase in the number of taxpayers with each new year, so that each branch will be able to serve a specific number of taxpayers, learn about their conditions in an orderly manner, and control all the data bearing on them so that there will be no room for deficiencies, infringements or excess when the actual profits of each taxpayer are calculated.
4. The absence of an appropriate degree of material and functional incentives, as well as health and social care, for people working in the tax field. As a result of this, a large number of competent persons have left and this has had an effect on the level of tax investigations and consequently the government's tax receipts.
5. The absence of an appropriate atmosphere for people working in taxes, in terms of resources and appropriate quarters, so that they can devote themselves full time to the performance of their work in the tax field on sound scholarly bases and achieve the desired tax justice, and also so that an opportunity may be provided to train workers in the most modern international scientific and theoretical techniques of tax investigation or auditing methods and they may be provided with the necessary books and publications as well as modern filing systems to perform their work.

Following this rapid review of the reasons which lead to tax evasion in Egypt, I consider that the remedy lies in the following procedure:

1. Drawing up carefully studied, integrated tax legislation, after seeking out the views of people working in the tax field and taxpayers, through chambers of commerce or professional [and] labor unions, so that this legislation will include everything that concerns taxes in the context of the law, in terms of liability and exemptions. It should include the abrogation of all exemptions which do not appear in the Tax Law, so that everyone will feel equal and there will be no chaos among bodies or individuals when tax accounting is done — with the proviso that if there are exemptions for specific purposes, as is the case in the Investment Law, the exemptions will not be absolute but will gradually rise in terms of liability starting the first year. For example, the liability can be 20 percent in the first year, and 40 percent in the second year. Thus all taxpayers and installations will become accustomed to submitting sound data to the Tax Department for review and examination from the year their activities begin.
2. Making an effort to increase tax awareness among the members of society and to inform everyone of the services the government performs as a result of the payment of tax commitments, while on the other hand intensifying penalties for tax evaders and making tax cards a necessary document for any activity, occupation or commercial operation.
3. Working to make the tax rate an escalating one with respect to all types of tax, preparatory to the application of a unified tax, once the studies that are now being prepared on it under the auspices of the Tax Department are completed, while entirely abrogating the general income tax, or at least reviewing the tax on incomes from the tax on salaries and settling on an escalating rate, which may amount to the total of the taxes on wages and general income.
4. Working to provide the appropriate atmosphere for employees in the tax system, along with material incentives and social and health care, provide appropriate, suitable places for the performance of their work, provide adequate data for them and keep all bodies from interfering in their work so that there will be no power over them except the law, whose features are clear, and their consciences, and tax equity may be realized among the people in this nation.

11887

CSO: 4504/479

NATION'S GRANULATED SUGAR PRODUCTION TABULATED

Cairo AL-AHRAM in Arabic 22 Jun 83 p 9

[Article by Ahmad Al-'Attar: "700,000 Tons of Sugar This Year, Or an Increase of 18,000 Tons"]

[Text] In the current season, which covered the period 15 December - 15 May, 700,000 tons of sugar were produced. This sugar was processed from 7.25 million tons of cane. The Ministry of Supply has delivered 400,000 tons of sugar in the course of the past 5 months, and large volumes of imported sugar have also arrived in the recent period.

Eng Muhammad 'Abd-al-'Al, chief of the planning and followup sections of the Egyptian Sugar and Distillation Company, said that sugar production during the season this year, which lasted about 150 days, from 15 December to 15 May, came to 700,000 tons, or an increase of 18,000 tons above last year's production. The sugar was produced this season from 7.25 million tons of cane, while the quantities of cane used last season totalled 6,671,000 tons. The sugar produced this year will include 385,000 tons of white sugar, while the rest, which is estimated at 315,000 tons, will be refined, 255,000 tons of it being converted to granulated sugar while 12,000 of the remaining 60,000 tons will be converted into sugar cubes (machine-made), 16,000 tons into crystallized sugar, and 4,000 tons into powdered sugar, while 24,000 tons of castor sugar will be produced, 6,000 tons of which will be allocated to the manufacture of pharmaceuticals and 18,000 tons to carbonated beverage manufacture.

As regards the extent to which sugar production is available, Eng Muhammad 'Abd-al-'Al said that sugar is wholly available on the market, that the Ministry of Supply delivered 400,000 tons of sugar of various kinds in the period from 1 January to the end of May, the warehouses of the company are full of sugar, and it is ready immediately to deliver additional large volumes of sugar. In addition, large volumes of imported sugar have come to Egypt recently. Consequently, sugar is totally available on the markets.

He added that until 1972 Egypt exported sugar, but it now imports it. This may be attributed to the increase in the population. The Egyptian citizens' average consumption has risen from 13 kilograms of sugar in 1972 to 28 kilograms this year.

As far as sugar exports go, Eng Muhammad 'Abd-al-Al said that all the company's sugar output is oriented toward the local consumer. However, quantities of sugar are exported, since raw sugar is imported from abroad, processed in Egypt then re-exported. It is expected that about 20,000 tons of sugar will be exported this year, increasing the company's revenues and enabling it to make its contributions.

11887

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JOURNAL COMPLAINS OF OBSOLESCENCE, DISTORTIONS IN CEMENT INDUSTRY

Cairo AL-AHRAM AL-IQTISADI in Arabic No 755, 4 Jul 83 pp 9-11, 56

/Article by Jamal Zayidah: "Egyptian Cement Is Subsidizing the Imported Variety"/

/Text/ In recent years we have observed extended shortages in many of our utilities and vital industries. They have even spread to one of the most important of Egyptian industries, one which has played an important role in meeting local consumption needs--the cement industry, which is to be considered one of the most important industries on which emphasis was placed in the sixties and early seventies, when domestic production met consumption requirements and there was a surplus, and we had an international reputation in the world's markets, especially in the markets of the Arab and African countries. However, the Egyptian presence in foreign markets disappeared in 1975, when we began to witness a local production deficit. With the increase in consumption rates, cement imports increased to the point where total cement consumption came to 7,922,000 tons in 1981-82, 3,638,000 tons of which were produced locally and 4,285,000 tons were imported. The shortage seems likely to emerge again in 1986, or so warn the industrialists, if existing contracts are not fulfilled and the necessary financing is not provided for expansions and additional new production lines.

What Are the Features of This Shortage?

It is well known that cement is one of the oldest industries in Egypt, as it started at the start of the current century, in 1900, in the al-Ma'sarah area wouth of Burah. Production started at about 100,000 tons a year. Then cement companies began to emerge, and, in 1927, the Turah Cement Company was established, and two ovens with a capacity of 160,000 tons of cement a year were set up in it. (By the way, these two ovens are still operating up to now, that is, are still producing, even though 54 years have elapsed since they first went into operation.) A new oven was added every 10 years. The Alexandria Cement Company was established in 1948, then the National Cement Production Company in 1956, and the Suez Cement Company in March 1977. The latter started production last month.

The Start of Production

In the words of Muhammad Najib 'Abd-al-Hadi, president of the Turah Portland Cement Company, "These firms, over the past years, up to 1975, met local consumption needs and until recently we exported cement. We had markets in South Africa,

the United States and Latin America. Then an abnormal leap in cement consumption occurred after 1975; consumption surged from 2 million tons a year in 1961 to about 10 million tons in 1982. This grave development may be attributed to the fact that ambitious construction plans and projects raised our cement consumption to this level. However, the reason for the emergence of the existing cement bottlenecks went back to 1973. We warn that the tragedy of 1973 will be repeated. That year, contracts for new production lines were to be signed and carried out, but, because the investments were not available, the start of this process was delayed until the middle of 1976, when the necessary investments started to be available. When we state that a project required from 3 to 4 years to get to the production stage, the contracts ought to have been made in 1973, so that we would not have been faced with a shortage in 1977. At this point one might raise a question: why didn't the people in charge of the cement companies sign contracts, so that they would not be faced with this sort of shortage? The answer is that we did make contracts in 1973, but these contracts were not signed, because the economic situation did not permit. We warn that the tragedy of 1973 will be repeated in 1986, because the economic situation at the present time does not permit contracts to be made. Therefore it will be necessary to provide the necessary investments for new contracts so that we can cope with this sort of situation

"For example, the Turah Cement Company, in 1975, managed to contract for two loans, from the International Bank for Reconstruction and Development and the Arab Fund for Economic Development, to carry out the expansion project to increase productive capacity by 700,000 tons of dry process cement a year. The company in 1977 started to carry out replacement and renovation activities, the most important of which was the process of modifying Oven Six and eliminating bottlenecks in the production lines; after these activities were carried out, this led to a productivity increase of about 200,000 tons a year in the plant, since the company's output rose from 900,000 tons in 1978 to more than 1.1 million tons at present. The company started to carry out its expansion project in 1976, and operating tests on it began in September 1982--a delay of about 2 years, in view of the delay in the execution of the civil work on the one hand and difficulties in the circumstances of financing the project on the other. The World Bank financed the mechanical equipment, and the Arab Development Fund financed the electrical equipment. The project is now in the initial production stages, and will reach its full capacity in 2 years, with God's permission."

Eng Muhammad Najib 'Abd-al-Hadi added,

"We must take account of the fact that the construction of new cement projects will take a period of no less than 3 years, and perhaps as much as 5, depending on the circumstances in each project, in terms of site and financing conditions. Then, when operation starts, it will pass through a stage of initial operation and production tests, lasting about 6 months, after which production will be sustained at a level of 60 percent of capacity for a year; that will increase to 80 percent the following year, then will reach full capacity in the third year. Here one must take note of the importance of moving the new projects alone, since the old plant in the company is operating with some ovens whose actual operating lives come to more than 50 years, whereas their hypothetical lives come to just 15 years;

thus one can imagine the unusual effort that the company has been making to maintain the productivity of these ovens and to carry out the necessary repairs and reconstruction on them.

"In the light of the existing projects, and the possibility of carrying them out, our production will come to about 14 million tons in 1986-87. This figure is quite adequate for our consumption, and as a consequence our dependence on imports will be greatly reduced.

Priority to Expansion

"In order to cope with the increasing demand for cement, which according to the most optimistic studies and reports is expected to come to about 35 million tons in 2000, it was necessary to start building new production lines. For example we in the Turah Cement /Company/ have two projects. There is the project for the second line in Turah, with a capacity of 1 million tons a year, in the Turah Company quarries; construction of that has actually started and operating tests on it are to begin in early 1986. That will enable the company to replace its wornout ovens in the event production in the existing plants manages to meet local cement requirements. I would like to state that the cost of adding the second line to the Turah quarries, with a capacity of million tons, will come to about 70 percent of the cost of erecting the first line, and construction of it will take only about 3 years, while the cost of constructing a new line in another, new location would cost twice as much, and in addition its construction period would be about 5 years. Therefore, in the circumstances of the present variables, the company has recommended that the project for the second line in the Turah quarries be carried out in place of the Nile West project, which is the second project in the current stage, since the Nile West project has been included in the plan, and the company has requested that it be postponed at the present time and that the project for the second line in Turah be carried out in its place, since the construction of the latter will cost about 75 million pounds, and its construction period will be 3 years, while the construction of the Nile West project will cost about 150 million pounds and take 5 years. The Housing Committee in the People's Assembly has given its agreement, but the Ministry of Planning has yet to carry this recommendation out by granting priority to the second line project in the Turah quarries. The Planning /Ministry/ does not need to issue a law to grant priority to this expansion."

"In the event the expansions are carried out, that will make it possible to shut down the wornout ovens which have existed for more than 60 years. As soon as we arrive at self-sufficiency in local production, we will be able to shut these ovens down, because they consume twice as much heavy fuel oil as the new ovens do. Thus, in producing a ton of cement, we will be able to save 90 kilograms of fuel oil, since the old ovens consume 180 kilograms of fuel oil to produce a ton while the new ones consume just 90 kilograms. That is, in order to produce 1 million tons of cement, we will be able to save 90,000 tons of heavy fuel oil worth about \$18 million, in the event new ovens are built, and thus it will be possible to operate the factories at high capacity and reduce pollution."

The Labor Shortage

Another problem the cement companies suffer from--a problem which the rest of Egyptian industry shares with them--is that of the drain of trained technical labor into Arab countries and the private sector, as Eng Muhammad Najib says, as a result of differences in salaries. An engineer's salary in the public sector varies from 150 to 500 pounds, while he can get 20 times that by working in the Arab countries.

He added, "We are suffering from a drain not just of trained technical labor, but also of ordinary labor. Every day three to four workers leave the Turah Cement Company by resigning or being dismissed, or by suspending work. This makes it necessary that the level of salaries for the people working in this plant be reviewed and that one look into the financing of training programs to help provide the cement industry with the technical labor it needs, in order to protect this industry, in which investments so far have been no less than around 1 billion pounds. It is expected that contracts will be made for a sum similar to that in coming years.

"We come next to one of the most important and serious problems facing the cement industry. This problem represents an odd situation, in which the local cement companies subsidize imported cement, and in addition the sales price does not meet the costs of production. Therefore, all cement companies will lose money starting next year. The cement companies' revenues by using old plants will bring the companies 16 pounds per ton of cement, while the costs will come to 17 pounds a ton, as a result of the increase in production requirements, and we will be losing a pound for each ton of cement. As far as the new production lines go, the cost of production comes to 28 pounds per ton, which brings revenues of 25 pounds per ton. That is, we will lose 3 pounds per ton. Therefore, all the cement companies' projected budgets have shown big losses for the coming year, for the first time.

"In addition, there is the point bearing on the subsidization of imported cement by local cement companies, since the Egyptian Cement Sales Bureau represents a sales department for all the cement companies in Egypt. When we need imported cement, the bureau sells the cement by carrying out the import operations on behalf of the cement companies. At this point, we are faced with the problem of procuring hard currency. The price of imported cement is about \$50 per ton, and this costs us about 60 pounds. What we need is to sell the imported cement at the official rate, which is 50 pounds--that is, the difference in the rate paid to import about 4 million tons is about 55 million pounds, which the cement companies pay. The situation cannot work out properly in this manner. This situation of the cement companies is unique; even when a ton of imported cement is sold for about 60 pounds, merchants sell it for about 90 pounds a ton, and the merchants get the difference. That is, the merchants, who bear none of the costs, be they labor, machinery or production accessories, get a profit of 30 pounds per ton, while the industrial public sector companies lose." In order to solve this problem, states Eng Muhammad Najib, "We asked that the subsidies on heavy fuel be abrogated and that the cement be sold at the price at which it is available on

the market. At that point, we will save about 120 million pounds, which the government is offering as subsidies to the cement industry, and, while this solution will yield the companies a profit of about 3 to 4 pounds per ton, the companies will be able to pay their investments and wages with it, the cement will sell on the market at its true price, and the difference, which is 30 pounds, will go to the government instead of the middlemen."

11887

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CREATION OF NEW PEASANTS UNION REVIEWED, EXTOLLED

Paris AL-YASAR AL-'ARABI in Arabic No 56, Jul-Aug 83 p 19

/Article: "A Victory for the Egyptian Peasants"; Paris AL-YASAR AL-'ARABI in Arabic; monthly organ of the Egyptian Communist Party/

/Text/ Egypt is currently witnessing substantial activity in peasant circles as a result of the declaration of the establishment of the first federation of Egyptian peasants. More than 300 peasants representing the governorates and villages of Egypt met last 30 April and approved the federation's program and bylaws, permitting the establishment of the Federation of Peasants as a democratic organization. The formation of this federation is of importance, especially in the circumstances of the new liberal relations which are laying siege to the Egyptian countryside and have turned agricultural land into a market for speculation led by parasites, the subdivision of agricultural land into construction land, the stripping of the land, and the changing of relations between landlord and tenant. While the establishment of the Federation of Peasants is to be considered a victory for the peasant movement, this important achievement came about in the framework of the establishment of the new federation. Total membership in the federation has been restricted to small peasants owning 5 feddans or less, and thus the federation has emerged as truly expressive of the interests of the majority of the peasant masses. It is a necessary condition that the member's job be agriculture and that his residence be basically in the village; the right of membership without appointment to the boards of directors has been given to people owning more than 5 and up to 10 feddans.

The general assembly chose a board of directors of 26 members for the federation. More than half of them do not belong to existing political parties. In addition, three counsellors have been chosen for the federation; they have the right to attend the board of directors' meetings and participate in its transactions, without the right of membership: they are 'Aryan Nasif, Shahandah Muqallad, and Dr 'Abdallah Muzari', member of the board of the Veterinarians' Union.

The federation's bylaws stipulate that it is "not a political or party organization but rather a democratic union movement that is open to anyone who is in agreement with its program and bylaws. Also, it is not a substitute for any other democratic peasant organization, such as the Cooperative Federation and the agricultural workers' unions; rather, it supplements them."

In an atmosphere of attempts to drive peasants off the land, the program calls for "the defense of a just rental relationship between landlord and tenant, and the resistance of the issuance of any law infringing the rental relationship." In order to solve the problem of the sale of rented land by small peasants, the federation demanded that a government fund be established to finance the purchase of land from small landowners and redeed it to tenants in long-term instalments.

It also demanded a feasible pricing policy for crops in a manner that would be in keeping with the rise in the cost of production, living costs, and export prices. Regarding the exorbitant costs of farming, one member of the federation said, "We milk cows after the children sleep and sell the milk before they wake up in order to meet the expenses of farming the land and the children's expenses."

The federation also demanded that the cooperative society regain its pioneering role in serving the peasant, that the activity of village banks be stopped, and that they be turned into credit banks providing tractors, plows and fertilizer, instead of television sets and fans, which have become the focus of the village banks' attention and which they provide for big landowners. The federation of peasants is taking a determined stand today against the appropriation and exploitation of Egypt's reclaimed land by foreign companies.

The general assembly of the Peasants' Federation declared its solidarity with the peasants who had been expelled from their land under numerous pretexts and forms of pressure exerted by the owners of this land in the villages of al-Dawakhiliyah, Saru, 'Izbat Shirin and Mit Namamah. It sent a telegram to the president, the ministers of justice and agriculture and the socialist public prosecutor, urging them rapidly to investigate and send the peasants back to their land. The peasants also sent greetings to the General Federation of Arab Cooperative Peasants, which has accepted membership in the Federation of Egyptian Peasants. The Egyptian peasants attached to their land and its prosperity know today more than at any time in the past the value of defending the land of their Palestinian brothers.

11887

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HARD LABOR IN PENITENTIARIES ABOLISHED

Cairo AKHBAR AL-YAWM in Arabic 2 Jul 83 p 5

[Article: "After 100 Years of Hard Labor: Abrogation of the Punishment of Breaking up Rocks in Turah and Abu Za'bal Hills"]

[Text] The judge utters the sentence:

"The verdict of the court is hard labor for life." After that, the prisoner goes to the Turah or Abu Za'bal hills, and spends the years of his sentence there among the rocks in hard labor, breaking up the hills and mining rocks. This picture has been eliminated in Egypt's prisons.

The decree abrogating the punishment of breaking up rocks was issued a year ago through coordination between the Ministries of the Interior and Justice, and the execution of it began some time ago. Thus 2,514 prisoners have been liberated from breaking up hills and have been moved to work in industrial areas in the prisons. Thus the curtain has been lowered over an inhumane penalty which had been enforced since the days of the occupation.

As Maj Gen Muhammad Fu'ad Farid, assistant minister of the interior and director of the Prison Department, says, "What is happening in the prisons today is the beginning of a comprehensive plan to develop prisons in a manner that is in keeping with modern penal philosophy and respect for the humanity of the prisoner. A committee has been drawn up, including the Ministry of Justice, the National Center for Social Research and the Department of Prisons, to prepare a study to develop penalties and measures which deprive people of their freedoms and to abrogate the penalty of hard labor. After the study is completed, it will be presented as the draft of a law which will be submitted to the legislative committee in the Ministry of Justice, then to the People's Assembly."

AKHBAR AL-YAWM has learned that the plan, whose execution was ordered by Maj Gen Hasan Abu Basha, the minister of the interior, calls for the gradual destruction of the old prisons and the construction of new ones which will be compatible with man's humanity. A plan has been set out to establish a prison building fund which will perform the financing, and a massive industrial area is being prepared in Abu Za'bal, to cost 2.3 million pounds, in which prisoners will work, which will provide them and the government with an income. The prisoners will receive a monthly salary of more than 50 pounds.

Prisoners Are a Trust

Ahmad al-Mahjub, chairman of the Criminal Research Branch in the center and member of the committee to eliminate hard labor, said that the jurists of Islam addressed themselves to the rights of prisoners 1,000 years before the civilized world. Abu Yusuf, in his book "al-Khuraj," said that the guardian, who is the ruler, absolutely may not infringe on any of the rights of prisoners or restrict their freedom to move, as long as they are in a safe place in which their crime will not be repeated, they do not make contact with other criminals, and they are not physically threatened. Prisoners should have the right to maintain their bodily safety and the freedom of their opinions and beliefs.

Regarding the international rules which are applied in prisons throughout the civilized world, and the position of Egyptian prisoners regarding them, especially with the abrogation of the penalty of breaking up hills, Dr Ahmad al-Mahjub said "These rules consist of two parts. One of them is related to the prison and the treatment of inmates. As regards the prison buildings, sanitary conditions must be provided, the rooms must be spacious, and there must be facilities, bathrooms and lighting. They impose the condition that the capacity of each prison must be no greater than 500 inmates and the capacity of the cellblocks must be no greater than 25 inmates. Unfortunately, however, none of these conditions are present in our prisons, which come to 34 in number, for a simple reason for which we have no blame; it was the British occupation forces which built these prisons, 100 years ago."

600 Million Pounds for Prisons

In the second part, there are international rules on minimum standards which are related to the administration which deals with the inmates in the prisons. These raise an important point, as Ahmad al-Mahjub says. Which should the Prison Department be subordinate to — the Ministry of Justice or the Ministry of the Interior? In Egypt, we find that the department, so far, has been subordinate to the Ministry of the Interior, while international law requires that the prison administration be civil, that is, subordinate to the Ministry of Justice.

In general, the international rules on minimum standards for prisons are not applied in Egypt, and the time has come to adopt them. This is another conclusion of the research which the National Center of Social and Criminal Research has carried out under the supervision of Dr al-Mahjub, who says that he has presented six research works on prisons in Egypt, all of which have led to the same conclusion, which is that in order that the international rules on minimum standards be enforced in the prisons of Egypt, it will be necessary to eliminate the existing persons, which number 24, and build 40 in their place, at a cost of 600 million pounds!

A Humane Social Decree

I asked, "Why has the punishment of breaking up rocks and hills in the prisons of Egypt been abrogated after 100 years? Is that because there are modern machines and items of equipment such as bulldozers and explosives, or is it for humane motives?"

The man in charge of the prisons of Egypt, Maj Gen Muhammad Fu'ad Farid, the assistant minister of the interior, said:

"It was necessary to abrogate this punishment now in order to keep up with progress in the prisons of the civilized world. This decree arose as a result of the development of modern penal philosophy. It is a humane social decree as well; even had we used machinery now instead of people for breaking up hills and boulders, that would not have been relevant. We have all started to feel liberated."

The abrogation of the punishment of breaking up rocks and hills after 100 years is the start of a comprehensive moment and a new preparation for the development of our prisons.

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PROBLEMS OF STOCKPILING OF DOMESTIC CLOTH REVIEWED

Cairo AL-AKHBAR in Arabic 24 May 83 p 3

[Article by Karam Sannarah: "The Stockpiling of Surplus Egyptian Cloth Is a Danger Threatening Readymade Clothing!"]

[Text] Although our annual cloth production exceeds 1.2 billion meters, imports of readymade clothing are still gobbling up more than \$75 million of the government budget a year. In their meetings with him last August, the owners of private sector textile plants requested the minister of industry to stop the imports of ready-made clothes, in view of the fact that their own production is not receiving adequate promotion in the market and there is much idle capacity in their plants. This prompts us to raise more than one query: What obstacles are standing in the way of the readymade clothing industry in Egypt? Is what is being imported of a higher level than our local production? If that is the case, how can one upgrade this industry? When will we see the label "made in Egypt" on readymade clothes in our markets?

Adib Dawud, the managing director of the private textile sector, said "The circumstances of development make it mandatory to view the local market as a main source of production of readymade clothes, and to consider that the import sector is just a secondary factor. However, in order for it to be possible for us to do totally without imports from countries like China, Korea and East Germany, it is necessary to produce no less than 250 million items of ready-made clothing a year."

Production of 600 Million Items in 3 Years

He added "Agreement has been reached between the ministers of industry and supply to meet the requirements of the project to clothe workers in local readymade clothes over a period of 3 years, a period in the course of which we can attain a production of 60 million [sic] items of readymade clothing, with the participation of the public and private sectors.

Problems of Production

"Concerning the role of the public sector and the extent of its contribution to this industry, we find that there are 85 factories with a limited production

capacity of no more than 13 million pieces of readymade clothing, all of which is directed toward the project to clothe employees in the government. This requires that the aid of private sector plants which have not yet reached full productive capacity, because of the mediocre operating wages they obtain on the one hand and competition from imported clothing on the other, be sought."

We asked the director of the textile private sector, "In spite of the high sales figures in the project to clothe workers from last year, we have some observations:

"We find that the quality of readymade clothing being supplied is lower than that of the imported clothing, and we find that the dyeing is bad; when the cloth is washed, the colors run. The result is that we find that the consumer who buys from the project develops ties to the exploitative black market.

"The styles that are to be found are almost uniform in terms of quality, restricting the project's transactions to a specific class.

"Aside from the project, we find that supply shops in the private sector set the price on readymade clothes they consider appropriate, and these are of course astronomical."

A Difficult Equation

He said, assertively, "The problem the readymade clothing industry is facing, which many people are unaware of, is that production is requested of us which is high quality and cheap at the same time. This is a difficult equation, because resources are limited, in terms of expansions in the volume of productive equipment and the operating wages the private sector demands, or in terms of the quality of cloth. Therefore, one can only upgrade this industry by raising cutting wages in the private sector, which has about 70 plants to produce readymade clothes.

"As regards the astronomical prices found in private sector supply outlets, those may be attributed to the absence of oversight which would hold the owners in this sector to a specific profit margin."

I Encourage Imports, with Conditions

Al-Mu'tazz Billah 'Abd-al-Maqsud, chief of the sales sections in a textile company in al-Mahallah al-Kubra, said "I encourage imports, but on condition that they not be unilateral, but take the form of equal transactions which will not disrupt the balance of payments."

No to Customs Exemptions

He stressed the need to review customs exemptions on imports of readymade clothes, which create unequal competition with local production, although a large proportion of these cloth imports consisted of inventory which was not turning over in their country of origin. He stated, "The strange thing is that this is happening at a time when public sector companies are paying customs on the accessories involved in the manufacture of readymade clothes, and the result is:

"Total costs no longer are in keeping with imports, which enjoy a customs exemption.

"The local cloth market has been hit to the point where some public sector companies have started to have a backlog of cloth, in addition to the private sector, which in turn has started to suffer from this backlog, as is the case in the al-Azhar market."

The chief of the sales sections in the local company recommended that the cloth used in the readymade clothing industry be upgraded and improved so that it can compete with foreign industry, provided that that be accompanied by emphasis on the establishment of large productive units supplied with the necessary technical experts. He stated that small-scale units provided only low-level production at a high price, in view of the high wages of labor and the number of productive units. This explained the secret of high prices in the private sector. At the same time, this industry should be protected by setting out suitable customs tariffs, so that the consumer will not forsake local industry and turn away from it, especially since he does not have enough perceptivity carefully to distinguish among grades of quality in regard to imports and local production.

Thus we find that our domestic industry is in good shape, and lacks only carefully studied, scientific organization and planning, so that it will not fall prey to incursions by foreign imports. We continue to await a bold decision which will move the readymade clothing industry forward. Will that come to pass?

11887

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BRIEFS

GENERAL AMNESTY FOR PRISONERS--President Muhammad Husni Mubarak has issued a decree releasing prisoners who had spent half the period of their sentences by 15 May, on the occasion of the anniversary of the corrective revolution. The release of 2,343 male and female prisoners will start today, in execution of this decree. The amnesty decree has not been applied in the case of people who committed murder in the course of robbery, crimes of embezzlement, fraud and deception, supply and theft crimes of all types, or crimes of trafficking and dealing in drugs. /Text/ /Cairo AL-AHRAM in Arabic 23 May 83 p 1/ 11887

MECHANIZED BAKERY CONSTRUCTION--Dr Naji Shatlah, minister of supply, has declared that the project to expand the mechanization of bread production includes the construction of 132 mechanized and semi-mechanized bakeries to produce 15 million discs of ordinary bread and a quarter of a million loaves of western-style bread a day, the construction of a mechanized bakery in each company and plant where there is a high population concentration, to realize self sufficiency, and encouragement of the private sector by allowing self sufficiency in food loans to be disbursed for the construction of mechanized bakeries and the development of ordinary bakeries, by putting that under the category of war production. Dr Naji Shatlah and Mr Jamal al-Sayyid, the minister of war production, signed a contract yesterday to supply 43 mechanized bakeries with a productive capacity of 4,200 loaves per hour per line. These lines will be distributed to milling companies and bakeries belonging to the supply sector. During the signing of the contract, the minister declared that the war production workshops are to take charge of constructing two complexes, each of which will consist of 24 semi-automated bakeries to produce ordinary bread, with a capacity of 6 million discs a day. These lines will be distributed throughout the Governorates of Alexandria and al-Gharbiyah next January. He added that the buildings for the installations of 32 ordinary mechanized lines with a capacity of 192,000 discs and nine semi-mechanized western-style lines with a capacity of 27,000 loaves per hour are now being readied and that these lines, which are imported from the United States, will be put into operation at the end of next month and distributed within the governorates of Cairo and Giza. The minister said that the sum of \$15 million has been allocated in the Supply Ministry's investment budget for the fiscal year 1983-84, to complete the construction of five mechanized ordinary lines with a total capacity of 30,000 discs per hour, and a semi-mechanized line with a capacity of 2,500 discs per hour,

for a total of 34,500 discs per hour. It has also been decided to allocate 50 million pounds to renovate and develop 13 mills and import a new mill to increase productive capacity, and to allocate 1.75 million pounds to the completion of operation of a number of mechanized and semi-mechanized ordinary lines.
/Text/ /Cairo AL-AHRAM in Arabic 30 Jun 83 pp 1, 10/ 11887

SUGAR BEET CULTIVATION PROBLEMS--A study conducted by the Sugar Crops Research Institute in the Ministry of Agriculture indicated that sugar crops, particularly beets, have not gained the attention of the state so far despite the role that the beet crop can play in solving the shortage problem in the production of sugar. That shortage amounts to about 618,000 tons, whereas our sugar consumption exceeds 1.2 million tons of sugar a year. Dr 'Abd-al-Hakim al-Gharbawi, the official responsible for beet cultivation experiments at the research institute says, "The problems of beet cultivation are confined to the Egyptian peasant's unfamiliarity with the methods of its cultivation. Egyptian peasants are apprehensive about planting a new crop, and this makes a large number of them refrain from planting beets. Also the fact that the land holdings of Egyptian peasants are small keeps us from using agricultural machinery in the cultivation of beets." Dr al-Gharbawi also says, "We can overcome these problems if the state were to give attention to this crop and if it were to launch a guidance and awareness campaign to let peasants know the importance of beets to the national economy and to the Egyptian farmer." Dr Ahmad Nur, director of the institute affirms that numerous studies were submitted asking for the establishment of new state-affiliated plants. These plants would be in addition to the plant that exists in Kafr al-Shaykh, which is affiliated with an investment company. Beets would thus help provide sugar at prices lower than world prices. It would thus be also possible to break the monopoly on the world market. Dr Nur adds, "Beets would constitute a good cash crop for peasants: they would be harvested at one time, furnished to the plant and the price would be collected immediately. If we were able to solve the problem of agricultural automation, we would also be able to put an end to the problem of the shrinking supply of labor." It is worth noting that cultivation of beets began in Egypt in 1944 on a limited scale. It began in about 100 feddans. This season the area cultivated with beets amounts to about 20,000 feddans of land that was recently reclaimed in the Delta West, al-Nubariyah and Kafr al-Shaykh. One feddan yields 20 tons of beets at a cost of 23 pounds per ton. It costs about 200 pounds to cultivate one feddan of beets. [Text] [Cairo AL-AHALI in Arabic 8 Jun 82 p 4] 8592

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LIBYA

CRISIS IN RELATIONS WITH IRAN ANALYZED

London AL-DUSTUR in Arabic No 294, 11 Jul 83 pp 17-20

[Article by Dr 'Ali Nurizadaeh: "The Travels of the Brother Colonel"]

[Text] The visits recently made by the brother "colonel" to various Arab capitals were mostly intended to solve the 'difficulties' in Libyan-Arab relations. After achieving a partial resolution of the difficulties in his relations with King Fahd of Saudi Arabia in Riyadh, re-establishing a bare minimum of brotherly ties with King Husayn of Jordan in Amman, and meeting with Yemeni President 'Ali 'Abdullah Salih in Sana'a, without seeing Yasir 'Arafat, he touched down in Rabat in a military uniform and was received by King al-Hasan II, who was also wearing military dress. In the Mauritanian capital of Nouakchott, he was awaited in vain by President Khouna Ould Haidalla. Tehran has opened fire on the brother "colonel," and it seems that these trips made by al-Qadhdhafi to Arab countries in varied circumstances have specifically caused the Iranian newspaper KEYHAN to attack the brother colonel.

Many observers are asking themselves what has happened to mar the serenity of the Libyan-Iranian honeymoon.

What is the story? Is it conceivable that the brother colonel's attempt to rebuild his bridges with some of his Arab brothers could be one of the reasons for Tehran's anger with al-Qadhdhafi?

What is the main difficulty in the brother colonel's relationship with Khomeyni? Why does Tehran want to solve the problem at its own convenience?

Will the brother colonel be satisfied to reply to KEYHAN, the newspaper which attacked him, through the official JANA news agency, instead of facing the facts and admitting that the problem in Libyan-Iranian relations consists not of one issue, such as that of the Imam al-Sadr, for example, but transcends any such issues to include the conditions which Tehran puts on al-Qadhdhafi's relations with his Arab brothers and with his Soviet allies?

The crisis in Libyan-Iranian relations, which began after the Iranian newspaper KEYHAN published an interview with Colonel Mu'ammarr al-Qadhdhafi,

has become tenser in recent weeks, since there have been repeated reports about a personal letter sent by al-Qadhdhafi to Khomeyni which contained a broad attack on "those who live in the twentieth century but think with the mentality of the first."

In this letter, al-Qadhdhafi dealt with the development of Libyan-Iranian relations since the day on which Benghazi radio announced the fall of the monarchy and the accession of Captain Mu'ammarr al-Qadhdhafi, then 28 years old.

The Shah hated al-Qadhdhafi and used to call him the "mad colonel."

This hatred was not the result of the Shah's ties to the Sanusi king Idris, neither did Iran have any activities in Libya. Moreover, the Iranian embassy in Benghazi was the most isolated of the Shah's embassies in the world. It had only three employees, and the two countries had no joint activities in any area whatsoever.

However, one of al-Qadhdhafi's main interests since coming to power was the danger of the Shah's increased power and influence in the Gulf region, especially as exemplified by the presence of Iranian forces in Muscat and 'Oman, in order to support the forces of Sultan Qabus against the revolutionaries in Dhofar. For this reason--or for some other reason we are ignorant of--al-Qadhdhafi began to attack the Shah, and he extended aid to those Arabs and Iranians who opposed the Shah.

One year after the Libyan revolution, the Shah withdrew his recognition of the new regime and recalled the members of the Iranian diplomatic delegation from Libya.

The tension in relations between the two countries increased when Iranian naval forces occupied the islands of "Abu Musa and al-Tunb." At that time, al-Qadhdhafi announced that he would send his own forces to oppose those of Iran. The Shah mocked him and said in an interview with the American magazine NEWSWEEK that: "Libya's Don Quixote does not know that his sword is made of paper and his charger of plastic!"

Al-Qadhdhafi became angry and started to announce that Libya would welcome any Iranian needing money or equipment to make war on the Shah, even going so far as to announce that he would give "valuable prizes" to anyone who brought him the Shah's head.

In return, the Shah drew closer to al-Sadat, announcing many times that his forces would support al-Sadat against al-Qadhdhafi! In April 1975, groups of the Shah's opponents met with Colonel al-Qadhdhafi in Tripoli. After this meeting, the Libyan president gave them a military barracks where they could train with the use of weapons. Most of them were from the Feda'iye Khalq group. Al-Qadhdhafi also granted radical and Iranian groups money and facilities for propaganda against the Shah.

Due to the absence of contact between al-Qadhdhafi and Iranian religious and nationalist groups, he did not have a realistic picture of the Iranian

opposition. Among the sayings current among Iranians living abroad was the expression: "If your money runs out, then you must go visit Colonel al-Qadhdhafi's embassies. All you have to do is tell them you oppose the Shah, and they'll drown you in money without even asking who you are!"

It is certain that the colonel was very happy when news reached him of demonstrations by the Iranian people against the Shah and of the armed confrontation between the regime's forces and the opposition.

However, the colonel had no idea what was going on in Iran, nor did he know what the opposition was or who was leading the people in their revolution against the Shah. As we have said before, due to the colonel's ignorance concerning the role played by the mullahs, the course of the revolution was changed from that of a "democratic, nationalist, revolutionary movement" to that of a "racist, reactionary, destructive movement." The colonel committed the most serious mistakes of his life. He fell into a trap laid for him by some of the principals of the Khomeyni movement.

This mistake was the abduction of Imam Musa al-Sadr, leader of the Shi'a in Lebanon.

The Imam al-Sadr was of Iranian origin, and was Khomeyni's only competitor. Because of his liberal thoughts and positions, the Iranians preferred him to Khomeyni, whose thought centered on the idea of "rule by a religious expert" and "the return to the past."

Khomeyni dreamed that the Imam al-Sadr would accept his leadership, but the Imam al-Sadr went and got in contact with the Iranian authorities and was trying to bring the Shah and the opposition together.

At that time, two of Khomeyni's men went to Libya: "Mohamed Muntazeri, the son of Ayatullah Muntazeri, and Jalal al-Din al-Farisi," one of the Iranians who worked for Syrian intelligence in Lebanon. Muntazeri and Farisi gave the Libyan authorities a secret message from Khomeyni to the colonel. In this message, Khomeyni explained to al-Qadhdhafi that: "The revolution will triumph, as long as there is no interference from some of the Shah's agents, especially the Imam Musa al-Sadr. If you would like to support us, you can make use of your ties to Musa al-Sadr to inform him that he must stop acting as an intermediary between the Shah and the opposition."

The colonel understood from the message what he was supposed to! He sent a letter to the Imam al-Sadr, inviting him to visit Libya and take part in the festivals held on the Great 1 September Day. The Imam al-Sadr traveled to Libya, and never returned.

Ten days after the Imam al-Sadr disappeared, Khomeyni arrived in Paris and, in the first hours after his arrival, met with 'Abd al-Qadir Ghawqah, al-Qadhdhafi's personal representative. He gave Khomeyni a letter from the colonel, as well as the famous check for \$20 million from the account of the Libyan airline, to be drawn on the Banque Nationale de Paris. This check became world famous when it was exposed by Iranian newspapers, especially

during the last days of Dr Bakhtiyar's government. A copy of the check had reached Bakhtiyar through one of his friends in Paris, who had gotten close to Khomeyni on orders from Bakhtiyar.

Colonel al-Qadhdhafi was delighted by the fall of the Shah. On the first day of the start of the new regime in Tehran, he first telegraphed and then contacted by telephone both Khomeyni and the main people in his regime. This was the first reaction by the outside world to what had happened in Iran.

The colonel expected Khomeyni to respond to his support. The Libyan president did not know that it was impossible for Khomeyni to return the favors done him by those who had supported him once.

Among the pillars of the regime were many who were linked by bonds of kinship, brotherhood or friendship to the Imam al-Sadr. These people did not know that the Imam al-Sadr had disappeared due to a suggestion from Khomeyni himself. When they learned of this, this group, headed by Sadeq Qotbzaden, Sadeq Tabataba', the son of Imam Musa al-Sadr's sister, and Dr Sadr, the Imam al-Sadr's cousin and the minister of commerce, opposed the idea of the colonel visiting Iran. This idea had been suggested by some of Libya's supporters, at the head of whom was Muhammad Muntazeri, Jalal al-Din Farisi, and 'Ali Khamene'i.

Even when Major 'Abd al-Salam Jalud, the Libyan prime minister, came to greet Khomeyni in Tehran, Khomeyni did not meet with him, due to the opposition of some of the principal figures in the regime.

But after Bazargan's government fell and the American diplomats in Iran were taken hostage, relations between the two countries improved, especially after the beginning of Khomeyni's war with Iraq. Al-Qadhdhafi stood by Khomeyni, and Libya was the first state in the world to play the role of broker by purchasing equipment and weapons for Khomeyni's regime.

Then the colonel called on the countries of the "Steadfastness and Confrontation Front" to grant Iran membership. Relations between the two regimes began to firm up. However, relations between Tripoli and Tehran became tense last month, and it is not unlikely that they will worsen. What is the story behind this tension?

Three months ago, the Libyan government sent an official invitation to some Iranian "personalities" in Tehran, among the deputies of the Islamic Consultative Assembly, the professors in the religious schools, and some journalists, asking them to take part in a conference on the Green Book.

The Iranians were delighted by this invitation, since leaving Iran for any other country at all is considered a great dream by Iranians.

On the day of the conference, a large Iranian delegation arrived in Libya. It was headed by three vice-ministers, the chairman of the parliamentary defense committee, and a number of journalists and artists. They all took part in the ceremony. Al-Qadhdhafi praised Khomeyni, saying: "The Islamic

revolution, under the leadership of the Imam Khomeyni in Iran, is our true ally in confronting Zionism." Naturally, the colonel did not refer to the secret relations between the Khomeyni regime and Tel Aviv. On the day after the arrival of the Iranian delegation, the colonel met three Iranian journalists from the newspaper KEYHAN and answered their questions.

When the visit ended and the delegation's members were at the airport, the Libyan information minister came to bid them good-bye. He presented them with bound copies of the Green Book. The Libyan minister also gave Hojjat ol-Eslam Hasan Ruhani, who is a deputy in parliament, a member of the defense committee, and Khomeyni's representative in the army, a letter from the colonel to be delivered to Khomeyni.

A week after the return of the Iranian delegation, Iranians suddenly heard on the radio the name of a man of whom no mention had been made for 3 years. During the Friday sermon, Hojjat ol-Eslam Ruhani told those at prayer: "While we were in Libya, it became clear to us that, despite the rumors one hears here and there, the Imam Musa al-Sadr is still alive. He is living under guard at a military barracks in northern Libya."

People did not believe what they had heard. They asked themselves: What had happened to Libyan-Iranian relations?

The answer came in al-Qadhdhafi's letter to Khomeyni. The colonel asked the Imam to grant amnesty to the Iranian Communists, led by Dr Kiyanuri, the leader of the Tudeh party.

It is said that Khomeyni found in al-Qadhdhafi's letter interference in Iran's internal affairs. Therefore, he ordered Hojjat ol-Eslam Ruhani to play the Imam Musa al-Sadr card one more time.

We have said that the newspaper KEYHAN did an interview with the colonel. The Libyan relations office in Tehran continued to await publication of the interview, but KEYHAN did not publish it until the day on which the colonel made his surprising trip to Jordan and Saudi Arabia. On the very same day, KEYHAN carried a picture of the colonel on the front page, along with headlines consisting of statements he had made, including some harsh expressions against Saudi Arabia, Jordan and Iraq.

The news agency of the Islamic republic distributed and published the interview on the same day. Before the colonel arrived back in Libya, paragraphs of what he had said in KEYHAN had reached him.

The colonel was astounded, and he ordered the Libyan news agency to deny the statements of his which had appeared in KEYHAN. When the agency disseminated the denial, it charged KEYHAN with distorting the interview and with opportunism. The editor-in-chief of KEYHAN, Hojjat ol-Eslam Shah Charaghi, who is also a deputy in the parliament, wrote a reply in which he said: "We are not opportunists, because the things we say and do don't change from one time to the next. We don't accuse someone of being a reactionary and then sit down with him the next day and call him a progressive. We believe in

frankness. We were against Saudi Arabia, Jordan, Morocco, the Gulf, and Iraq, and we will continue to strive day and night to bring down these regimes, so that the "Islamic Republic" can take their places. But there are some people who, two months ago, were attacking Saudi Arabia, but are now kissing the doorsteps of the kings..." Following this article, which did not directly mention the colonel by name, numerous articles appeared in KEYHAN defending "honest revolutionaries and against those who call themselves revolutionaries but have become like kings!"

The oddest article appeared in the childrens pages in KEYHAN. and contained the statement: "Oh children of Iran, some grown-ups are playing the game of 'King and People.'" These grown-ups elect someone from among themselves and call him the king. The authority is granted him to play this role. Unfortunately, some of these kings have changed their titles to 'president of the Jamahiriyya' or 'leader of popular socialism', but these men are nothing but kings in a chess game."

The last thing circulated by the Iranian regime against the colonel and Libya appeared last week in the pages of the regime's main newspapers in Tehran. KEYHAN and ETTELA'AT published a statement from the Committee of Experts in Charge of the Constitution and the Parliament," which said: "A majority of the membership of the committee of experts agreed during its weekly session to reject the bill proposing an agreement and cooperation in the areas of commerce, science, economics and culture between the Islamic Republic of Iran and the Popular, Socialist, Arab Jamahiriyya of Libya, which was agreed to by the Islamic Consultative Assembly. The reason for this is the Libyan president's insistence on being a "socialist." We in the Islamic Republic do not believe in socialism. We look upon it as one of the symbols of unbelief and atheism. We have rejected the agreement, and we do not think there is any indication of special cooperation between us and them."

The statement was signed by Hojjatol-Eslam Lotfollah Safi, the secretary of the committee of experts.

As a result of the superior authority possessed by the committee vis-a-vis the Islamic Consultative Assembly, it is impossible for the Assembly to object to the committee's rejection.

There are reports of a new letter from al-Qadhdhafi to Khomeyni in which the colonel attacked those who treat religion as a business and pretend to forget Libya's role in helping them to come to power. The story is continuing until further notice.

12224

CSO: 4504/507

LIBYA

LIBYAN-MAURITANIAN RELATIONS ASSESSED

London AL-DUSTUR in Arabic No 294, 11 Jul 83 pp 17-20

[Article: "When Nouakchott Waited for al-Qadhdhafi"]

[Text] Everything was ready on Sunday, 3 July in the Mauritanian capital of Nouakchott for the reception of Colonel Mu'ammarr al-Qadhdhafi, just as he had desired. Khouna Ould Haidalla was getting ready to go out to the airport, where he was to receive the Libyan president, when someone came from the "Libyan Popular Office" to tell him that the colonel had cancelled his visit in just as surprising and sudden a fashion as he had previously announced his intention to undertake it. Al-Qadhdhafi returned directly from Rabat to Tripoli, without passing through Nouakchott, which was simultaneously getting ready to celebrate the fifth anniversary of the National Salvation Committee's accession to power in the country.

In truth, Mauritanian officials did not want the Libyan president to visit merely in order to discuss the problem of the Western Sahara and to find out the Libyan point of view, after al-Qadhdhafi had become acquainted with the position of Morocco and met with a delegation of Saharan inhabitants which was composed mostly of followers of the Polisario's leaders. Rather, the Mauritians essentially were expecting to discuss as well the matter of economic assistance previously promised by Tripoli which had never been dispersed, either for political reasons or for reasons having to do with Libyan financial straits following the fall in oil prices. The economic situation in Mauritania is still in a crisis, despite numerous attempts at national reform and salvation which "were announced by the military committee." This economic deterioration has reached the stage at which the country had to resort to the World Bank. Nouakchott is expecting a visit by a bank delegation in the next days, which will do a study of the domestic economic situation. It seems that Libya's promises of aid will continue to be just that, despite the fact that the military committee agreed to certain domestic measures desired by Libya with regard to the freeing of some groups which were arrested in the past on the charge of trying to overthrow the ruling regime. The Mauritanian authorities eased the conditions of detention for "Libya's friends" in the expectation that Tripoli would take an important step which might end in their release. When al-Qadhdhafi's visit to Nouakchott was announced, many expected that President Khouna Haidalla would use the occasion of the fifth anniversary of the coming to power of the military

committee to free those arrested and charged with attempting to overthrow the ruling regime. In return, Tripoli would fulfill its promises of economic aid, which Mauritania had come to sorely need, following a larger than expected increase in its trade deficit in the first half of this year.

The second matter which President Khouna Ould Haidalla wanted to learn about during his meeting with Colonel al-Qadhdhafi was the Libyan position, including details, on the Western Sahara, following the Rabat talks and everything that had happened during the African summit at which Mauritania worked to achieve agreement on the summit communique. Khouna Ould Haidalla worked together with Senegalese President 'Abdu Dyuuf on editing the text of the communique. We ought not to forget that Mauritania began to feel that it was necessary to adapt itself to the new situation prevailing in the Arab West. However, it did not want this adaptation to cause problems or Libyan reactions which would have a domestic impact, both via pressure exerted by Libya changing its mind about its promises of aid and via a return by the Polisario to attacking the regime in Nouakchott and creating domestic difficulties for it. Khouna Ould Haidalla expressed fears like these when he met with President Chadli Benjedid and President Bourguba in Algeria during a visit by Tunisian President Habib Bourguiba to that country.

Despite the fact that the reasons for Colonel al-Qadhdhafi's cancellation of his visit to Mauritania at the last minute have not been clarified yet by either the Libyan or the Mauritanian side, the view current in the Mauritanian capital explains the cancellation in the light of events on the Libyan border, as well as the latest developments in the Chad question in the aftermath of Zaire's announcement that it was intervening on the side of Hissene Habre and the agreement between Habre's government and Nigeria on reopening the borders between the two countries and ending their dispute. The above factors made Colonel al-Qadhdhafi feel that he had to return to Tripoli to confront the new situation and recent developments.

There is another view quite current in diplomatic circles that says that al-Qadhdhafi did not harvest the kind of results he had expected during his visit to Rabat. He was going to present some of them to the Mauritanian leadership within the context of the solution he conceived of for the Western Sahara problem. It seems that he has come to demand that the problem be solved within the context of the Arab West, it being stipulated that: "Morocco give up the idea of organizing a plebiscite in the Sahara province, since the Polisario will not accept it, but will continue to resist until independence is achieved. In return, Morocco is to recognize this independence within the context of the unity of the states of the Arab West, of which the Polisario state is a part." Because Morocco has evinced its rejection of this solution in a clever fashion, by allowing Colonel al-Qadhdhafi to meet with political and union figures, etc, al-Qadhdhafi felt that his "call" had run into a dead end again, and that the "unity" he suggested had not produced much enthusiasm in Moroccan circles.

Among those whom al-Qadhdhafi met were the families of the Polisario leadership, who expressed to him their attachment to the Moroccan homeland and

confirmed to him that: "the Polisario are nothing more than a group of people who have gone astray and will, in the end, return to the true path." The Libyan side therefore had no more justification for Colonel al-Qadhdhafi's visit to Nouakchott and chose to return to Tripoli. At the same time, Ould Haidalla was waiting to discuss with al-Qadhdhafi the two most important issues which are of concern to the Mauritanian leadership: the Sahara and the promised Libyan aid. But that did not happen at all. Khouna Ould Haidalla chose to undertake a limited "technical" ministerial reform which affected important ministries having to do with economics: the Ministry of Planning, the Ministry of Industry and the Central Bank. This was done in anticipation of the World Bank delegation's visit, which was to take place in the coming days, in order to discuss the possibility of providing international aid to lessen the severity of Mauritania's economic crisis.

12224

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INFORMATION MINISTER DISCUSSES INTEGRATION WITH EGYPT

Cairo AL-AHRAM in Arabic 11 Jul 83 p 6

[Interview with Muhammad Khawjali Salihayn, minister of national guidance and information, by Samir al-Suruji: "Bridges of Culture and Information Between Egypt and Sudan in Lengthy Interview with Sudanese Minister of Information"; date and place not specified]

[Text] In his first interview with the Egyptian press, Muhammad Khawjali Salihayn, the Sudanese minister of culture and national guidance, told AL-AHRAM that Egypt and Sudan represent two-thirds of the Arab world in terms of area and population.

He asserted that Egyptian blood runs in the veins of many Sudanese, that the two peoples are related by blood and marriage and that the bonds between them are firm and deep, and no man can view them as his work because they are made by God, may He be praised.

The minister also said that the integration between the two countries is being implemented with a full reliance on its goals, which will ultimately achieve the goals and aspirations of the two peoples of the Nile Valley. Proceeding on this premise, projects are now being studied to achieve integration in the press, radio, television and cultural spheres and to exchange national and folklore troupes between the two countries, as well as integration in the spheres of archeology and museums.

The minister also asserted that consideration is being given to boosting radio and television transmissions to make it possible to hear and see each country's programs in the other country.

The minister also discussed Sudan's pioneering experiment in seeking positive popular participation in administration, government and leadership. He said that there is still a failure on the part of the media and the press in providing a complete picture of what is happening in the other country, but that the serious and significant steps taken by Egypt will help to achieve this goal.

The minister opened the interview by saying: I and the Ministry of Information personnel work with all our strength and effort to bolster

integration between the two countries. Culture and information represent the cornerstone in integration between the two countries, especially when we see that information strategies are the true form of political strategies. Policy and information are inseparable twins, and we are fully aware of this role. I am fully convinced that the brothers in Egypt are exerting the same efforts to achieve the charter's noble objectives and goals.

We implore God to give Presidents Ja'far Muhammad Numayri and Muhammad Husni Mubarak success in completing what they have begun for the good of the Egyptian and Sudanese peoples, who are the two peoples closest to each other in the Arab world. God has made them complement each other since ancient times and history attests to this. We ask the youth, especially those working in the spheres of culture and information, to be aware of this and we hope that all will be successful in doing whatever benefits the two countries.

[Question] The decision to appoint you minister of guidance and information has accompanied the formation of the Nile Valley Parliament and the conclusion of its meetings in Khartoum. What is your information and cultural plan to bolster integration between the two countries?

[Answer] We have performed a fundamental role in the integration and we are fully aware of this role. We have drawn up a work program in the spheres of culture and information. We have visited Cairo repeatedly and Muhammad 'Abd-al-Hamid Badwan, the [Egyptian] minister of culture, and Safwat al-Sharif, the [Egyptian] minister of information, have visited Khartoum repeatedly. We have drawn up a specific work program with timetables to be implemented in the two countries simultaneously in order to keep pace with and bolster the integration charter.

We have here in Khartoum a permanent office of the Sudan Corner which supplies the Sudan Corner Radio, the Arab Network and all of Cairo's radios with daily news reports. Plans are currently under study concerning the press and the Nile Valley Radio. Plans are also under study to strengthen television transmissions between the two countries through artificial satellites, to exchange national and folklore troupes and to study popular works common to the two countries.

There is also a program to bolster integration in the sphere of archeology and museums because they are important to understanding the Nile Valley civilization. If we visit the National Museum in Khartoum or the Cairo Museum, we find that the origins are the same and the culture is the same and dates back in the Nile Valley to ancient times.

We are working in all these spheres. We are, of course, preparing plans that are in total harmony with these goals. We believe in this charter and in the need to strengthen information and culture between the two countries, considering that information and culture play an important fundamental role.

[Question] Is consideration being given to boosting radio and television transmissions between the two countries?

[Answer] Consideration is certainly being given to boosting radio and television transmissions because this helps to enhance integration. Technicians from both countries are now working in this sphere.

[Question] When will this work be completed?

[Answer] I do not know exactly when because I have not familiarized myself with all of the reports. But I know that sincere efforts are being exerted in this regard so that the plans can be implemented in the near future.

[Question] What is the role of the coordination of information between Egypt and Sudan at the Arab and international levels?

[Answer] There is good coordination between Egypt and Sudan, in accordance with the provisions of the charter between the two countries, in the Arab League Permanent Information Committee.

There has always been coordination with Egypt, whether before Egypt's absence or during its current absence from the Arab League in Tunis. In the countries where we have no information bureaus or information attaches, it has been agreed that the Egyptian Public Information Authority will undertake the task of representing Sudan and of confronting the unfair campaigns launched against it. In fact, we are determined to maintain our ethics and our values, which we will not relinquish. We do not buy writers and we do not bribe journalists but meet argument with argument. We do not conduct ourselves in a way that is inconsistent with our ideals, morals and religion. As Sudanese, Muslims and Arabs, we do not bribe and we do not buy writers. There are rabid campaigns [against us] that do not tell one-thousandth of the truth. We have nothing to hide and nothing to fear. Our country is open and we have no censorship. We fight with facts. Falsehood is quickly exposed. We are a state that proceeds on institutional bases and not, as they want in some countries, on the bases of oppression, chaos and barbarism and an absence of respect for laws and traditions. We appreciate international laws, traditions and charters and we do not at all swerve from or abandon our ethics. This is the strongest weapon. As for the tendentious propaganda, it will inevitably end.

[Question] Do you not think that there is inadequate information about Sudan at the Egyptian and international level?

[Answer] This is a fact. Information about Sudan in the Egyptian press and Egyptian media in particular is inadequate. We ask the brothers in Egypt to give us more space. However, there has been considerable improvement recently, on Egyptian radio stations, the Voice of the Arabs and the Sudan Corner Radio and in the press. But we still want more space and a greater and deeper understanding of political and executive action. It is indisputable that the Egyptian information field, with all its media, is the strongest and most truthful in the Arab world, rather in the Middle

East. Sudan is currently engaged in a new experiment in administration at the regional and the international level. This is a 100-percent Sudanese system that began with the 9 June 1969 declaration that came nearly 2 weeks after the start of the revolution led by President Numayri. This is a revolution that was founded on dialogue instead of infighting and that has let reason, rather than the rifle, be the arbitrator. The disputing parties got together and reached a peace agreement. A regional government was formed and Southern Sudan was given self-rule. The experiment succeeded and peace, security and stability were established in all parts of Sudan, especially in the south, after 17 years of war and internal fighting. Enormous development, road building, construction and health and education projects have been carried out in the south. Regrettably, all this is not made clear by the Egyptian press and the Egyptian information media.

There is also a pioneering experiment between Egypt and Sudan, namely, the Jonglei Canal, which is an enormous investment project. The brothers in Egypt may know the name "Jonglei Canal" but do not know the objectives behind this canal. When Joseph Lagu, the vice president for the south, visited Egypt at the invitation of Field Marshal 'Abd al-Halim Abu Ghazalah, the deputy prime minister and minister of defense, the two men discussed this issue and considerable aid was advanced.

We also have local popular government law. This experiment has achieved success, and popular leaders have emerged for the first time, led the work and achieved major successes. These leaders are in the process of handing over authority to the masses.

Authority is now actually in the hands of the masses (who elect their leaders) in the districts, quarters and villages. Initially, a national committee was formed to shorten the administrative jurisdiction and the old provinces were divided. Thus, Darfur Province has become the North Darfur Province and the South Darfur Province, the Kordofan Province has become the North Kordofan Province and the South Kordofan Province and al-Jazirah Province has become the White Nile Province, the Blue Nile Province and the Central Region, with Wad Madani as its capital. All this has been done with the aim of curtailing the administrative reach. The south has turned into three provinces, each with its governor who has executive powers. With the governor, there is the executive council and the two together conduct executive and political action. By virtue of his position, the governor is the Socialist Union general secretary in his province. Sudan has an area of 1 million square miles and everything used to be run from Khartoum. Even a passport had to be issued in Khartoum. Now powers have been delegated to the provinces and work is proceeding in a decentralized manner.

Popular leaders have also emerged for the first time in the ministries, agencies and quarters—leaders that head political action and that are represented in the boards of directors.

A national committee was then formed to examine the issue of regional rule with the aim of establishing regional governments. The committees concerned

made their studies and decided to transform the old provinces into independent regions, each region having its own governor, who has the authority and power of the president of the republic, with a number of ministers chosen in popular elections in every region. In every region, three persons were elected and President Numayri appointed one of them governor and another to be deputy governor, in addition to a regional cabinet and a regional popular council.

The experiment has achieved great success in the sphere of government and administration. This confirms what I said at the outset of my statement, namely, that this is a pioneering experiment undertaken by Sudan which recommends it to similar countries because according to the modern system, when power is centered in the capital justice cannot be achieved. The distribution of power has produced new leaders for local development and integration with national projects. It is the right of the regional governments to set up local development projects and to integrate such projects among themselves, considering that there are provinces rich in livestock, others in water resources, others with vast cultivable lands and some with major national projects. Thus, integration can be established among the regions. All these projects are under the control of the presidency and there is full coordination and awareness among the masses of the true objectives of regional rule in developing and purifying administrative responsibility, developing and utilizing resources and alleviating hardships.

[Question] What is the relationship between the central ministry in the capital and the regional information media?

[Answer] The main information media, such as radio and television, are national. There are regional information bureaus under the control of the regional minister of administration and organization. As for coordination with the central ministry in Khartoum, the regional minister of administration and organization supervises the information [bureaus] but the leaders in the regional offices are under the control of the central ministry. Information strategies are formulated centrally in the capital and implementation is carried out locally, each region according to its need and circumstances.

[Question] Let me return to the observation that there is failure on the part of the Egyptian media. Do you not think that the designation of a radio station in the name of Sudan for tens of years reflects an Egyptian conviction insofar as Sudan is concerned?

[Answer] We do not, of course, deny this interest, which has played a major role. Egypt's Sudan Corner Radio is considered complementary to Omdurman Radio. The Omdurman Radio transmission may not reach areas reached by the Sudan Corner Radio. There are numerous Sudanese brothers, both in Egypt and in the Arab and foreign countries, who listen to the Sudan Corner Radio, which can be heard because its wavelengths are stronger than Omdurman Radio wavelengths. We are currently experiencing some problems with radio transmissions and are in the process of eliminating these problems, God willing.

During previous crises and plots experienced by Sudan, Sudan Corner Radio hooked up with the Voice of the Arabs to broadcast Sudan's news, particularly in 1976. As for radio training, most [Sudanese] producers and broadcasters have received their training in Cairo. We are still sending more of them for training. The information officers receive their training in public relations, editing and news [reporting] at the Egyptian Information Authority. We have a number of people who are studying for the MA or PhD at the Information College, the broadcasting station or the Television and Cinema Establishment. Even those who work in the Juba Radio Station in the south were trained in Cairo nearly 3 years before the station was opened. This is an excellent and commendable trend. This applies not only in the radio and television field. Egyptian universities have also provided Sudanese students with numerous opportunities for enrollment. This is very important, especially for the students from the south. Moreover, the Cairo University Branch in Khartoum has played a major role. Al-Azhar University will open a new branch in Sudan to counter the missionary program in some parts of the country.

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CSO: 4504/481

BAHRAIN

BRIEFS

COST OF LIVING INCREASE--Manama, 19 Aug (WAKH)--The increase in the price of necessities in Bahrain during the second quarter of 1983 has propelled a rise in the cost of living by 3.7 percent. The release issued by the central statistics organ in Bahrain indicated that this rise was a result of the increase in the price of food, beverages and tobacco by 3.3 percent; textiles, shoes, and clothes by 5 percent; rent and rental services by 4.5 percent; household appliances by 9 percent; transportation by 7.7 percent; and medical, cultural, and recreational expenses by 4.5 percent. [Text] [GF191952 Manama WAKH in Arabic 0610 GMT 19 Aug 83]

CSO: 4400/477

RUBIN SAYS TAMI TO WITHDRAW FROM COALITION

TA221225 Jerusalem Domestic Service in Hebrew 1200 GMT 22 Aug 83

[Text] Deputy Labor and Social Welfare Minister Ben-Tziyon Rubin says TAMI is going to withdraw from the government and that this time this is not a threat but an act which will be made with pain and regret. The government's mandate, Ben-Tziyon Rubin said, was to act for the good of the people but it is moving farther away from this mandate and is acting for the good of only some of the people. If an alternative government is set up, TAMI will consider whether to join it or not. He also said that all proposals to make life harder for those who have the money have been foiled in the cabinet and the rich do not make a real contribution [to the country's economy]. Ben-Tziyon made these remarks a short while after TAMI leaders held consultations to consolidate their position and Labor and Social Welfare Minister Aharon Uzan met with Finance Minister Yoram Aridor.

Our correspondent adds that anger is prevailing in TAMI that the large families bill has been emptied of content and that its legislation was not concluded today. In its present format the bill was going to grant large families hundreds of shekels for the purchase of educational items but it now seems that these families too will have to pay thousands of shekels to the education system.

It is further noted in TAMI that the government has decided to impose a tax on children's allowances. This taxation requires the Knesset's legislation process and it seems that TAMI will vote against it.

CSO: 4400/479

ILIA RAPS UNRWA ACTIVITY FOR PALESTINIANS

TA181054 Tel Aviv BAMAHAHE in Hebrew 17 Aug 83 p 10

[Interview with head of the Judea, Samaria and Gaza Strip Civilian Administration Brigadier General Shlomo Ilia, by Raz Zemtsky; date and place not given]

[Text] Question: How does the Civilian Administration regard UNRWA and what is its attitude toward that organization?

Answer: UNRWA is a United Nations body, which should be neutral but in actual fact is political. Its representatives in Israel are not prepared to adopt ideas from us about improving the standard of living in the [refugee] camps and developing them because UNRWA regards itself as a body that is aimed at preserving the problem of the refugee camps. Therefore, it worked to keep them as an irreplaceable asset in perpetuating the Palestinian problem.

UNRWA does not cooperate with the Civilian Administration in establishing political quiet in the refugee camps. We know that the UNRWA teachers are a highly inciting element who order strikes and demonstrations by schoolchildren. In order to deter the teachers from engaging in such activity, we suggested that the teachers not receive pay for those days on which studies are not held because of strikes and demonstrations.

UNRWA objected, stating that the teachers will make up those days during which there were no studies during the summer vacation, and their salaries should not be touched. This approach shows that UNRWA is not prepared to join us in combatting instigatory elements, but rather collaborates with them against us. The relationship between the Civilian Administration and UNRWA is tense and reserved, as a result of the conflict of interests between us. To cite an example: We have issued an unequivocal order banning construction work inside the camps. UNRWA provokes us and grants licenses--again, in order to make the camp issue an eternal fact.

Question: How would you propose to rehabilitate the refugee camps?

Answer: The problem of rehabilitating the camps is very difficult, complex and complicated. It depends on very many elements. In my opinion, the way to begin solving the problem is by handling the centers [MOQDIM], tackling a different center each time. This scheme will require large funds, as well

as a readiness to provide the refugees with land outside the camp. However, one must bear in mind that the desire to rehabilitate the camps is countered by strong international elements (UNRWA, the terrorist organizations, the Arab countries), as well as by political powers inside the camps themselves (the Front [not further identified], the Syrians, the communists), who apply constant pressure and terrorism against anyone who dares to present ideas to improve the standard of living.

Question: Could the IDF and Israel replace UNRWA? And if so, would you personally favor this?

Answer: The IDF and Israel are certainly capable of substituting for UNRWA, and I personally would support this--but this is a political decision.

Question: This will require a large budget. Where will we find the money for this?

Answer: The budget issue is a problem, but it should not constitute an obstacle when considering such an important and sensitive subject.

Question: Would you say that UNRWA is more a PLO organization than a United Nations one?

Answer: I would not say this. I would say that this is an international body that acts quite substantially out of consideration for national Palestinian interests, because it does not want to find itself in conflict with the external and internal forces facing it.

Question: Do UNRWA installations cause a lot of trouble?

Answer: Definitely. Many UNRWA schools--highschools and training centers--serve as centers of instigation, of sorts, which are difficult to combat, because they are UN institutions.

CSO: 4400/479

MILITARY INDUSTRIES CHIEF ON EXPORTS

TA230928 Tel Aviv DAVAR in Hebrew 23 Aug 83 p 2

[Report by Mikha'el Certi]

[Excerpt] The military industries export some 60 percent of the products manufactured in their plants, and a substantial share of the exported goods were developed solely for export. For example, the military industries last year exported arms and ammunition worth \$350 million, out of overall exports of \$600 million. This was stated yesterday by the director general of the military industries, Mikha'el Shor, in the course of a tour by military correspondents to the military industries plants.

In reply to a question on the target countries that are recipients of the goods, and the moral question involved in exporting arms to such countries, Shor said: "Even the sale of the mini-'Uzi [submachinegun] is a political act, and arms are exported usually following a decision by the government. We have close to 15,000 employees whose job is to produce arms and ammunition. If a country decides to export, the welfare of the people and the good of the country precedes any other consideration. If the state decides that we can export, my conscience is clear."

Nonetheless, data made available during the visit indicated that 42 percent of the exports go to Western (NATO) countries, and that the U.S. share is constantly growing--reaching \$50 million in 1982, with a forecast of \$130 million in 1983.

The military industries director general also reported that the plant where explosives are manufactured is in the process of being moved to the Negev (following decisions that were made in light of explosions that occurred in the past in the Ramat Hasharon plant). He added that \$15 million have already gone toward that move. The military industries will also transfer one of its plants to the Ari'el industrial area, in Samaria.

CSO: 4400/479

GOODMAN ON DE FACTO ANNEXATION OF W. BANK

TA190845 Jerusalem THE JERUSALEM POST in English 19 Aug 83 p 18

[Commentary by defense correspondent Hirsh Goodman: "Question of Democracy"]

[Text] For anyone who has spent even a little time on the West Bank recently, it must have become obvious that de facto annexation has taken place.

While the opposition castigated and Peace Now demonstrated, an uncharacteristically energetic and efficient arm of the government's bureaucracy put into motion a process that in six years has created facts that any rational person must now concede are irreversible.

The inability of the Palestinians to come to the negotiating table; the ineffectiveness of the Israeli opposition; the impotence of the Liberal wing of the Likud; general complacency--all have helped to make it possible for the government to dispense with a national consensus, and create a new political reality that, until recently, was consistent only with the political ideology of the ultra-nationalists. It is impossible to explain the actions of those opposed to the piecemeal, but unrelenting, process of annexation that has been going on for the past 16 years, but has accelerated over the past five.

It is impossible to explain the attitude of the Palestinians and Jordanians who have done nothing--not even grabbed at the straw of Camp David--to try to at least freeze the process. This they could have done if the Palestine National Council had gone along with 'Arafat and Husayn and agreed to the Reagan initiative last September.

They, more than the Israelis, have to bear responsibility for effectively putting paid to any hopes of some form of Palestinian nationalism that could have been a basis for Arab-Jewish coexistence in two neighbouring countries.

The point of no return has been reached, or will be reached within two or three years at most. Meron Benvenisti, the former deputy mayor of Jerusalem, who has made a close study of the situation on the West Bank has been uttering warnings for years, but they have been rejected as hysterical by many in the Israeli establishment, primarily by those of the left who want to recognize neither their failure nor the new challenges that face them.

But Benvenisti is right, and one only has to spend a day in a car, driving from settlement to settlement on new road after new road to recognize the validity of what he is saying. Given the facts on the ground, argument over the future of the land has become academic; debate about how much to give back to whom has become as hypothetical as a discourse on the attainability of Utopia.

The question whether Israel is to give up all or only part of the West Bank has to be changed; for while that argument is still in progress, the government is going ahead systematically making sure that there can be no doubt about the answer.

The question that now has to be addressed is: How do we as Israelis continue to live with the double standards that have permeated our collective morality and political mould over the past 16 years of occupation.

For 16 years, the liberals and the left of this country have passively watched over a million people living without the benefits of democracy, subjected to different laws, and, in some cases, denied human rights.

There has been no significant protest from those in this country who profess to be liberals, or concerned with human rights, that demonstrators from Bi'r Zayt University go to jail for a year and a half, while those who burn down stalls in the Hebron market go free.

The predictable "lefty" journalists wrote their predictable comment, and one or two predictable voices in the Knesset managed to get some publicity; but from the mainstream left, nothing was heard--as nothing has been heard in the past.

Israel's occupation has been benign, but it has been occupation. The repressive measures against the local population have always been instituted as a result of provocation; but they have been repressive nevertheless.

Administrative arrest, banishment, demolition, forced evacuation, curfews, roadblocks, censorship way beyond anything in Israel, the firing of elected officials, are things that happen all the time. They have become the recognized accompaniments of occupation--permitted despite the fact that they are being carried out in the name of a democracy, where all these things are anathema. Yet there is silence from the liberals and the left, who are still busy debating what to do about things the government has done months and years ago.

The debate in Israel has to change. After 16 years of double talk (such as creating Qiryat Arba' while speaking of territorial compromise) the opposition of this country, that claims to speak for the enlightened, has to turn its attention to what has become the real problem: human rights. By remaining silent, the opposition has allowed the government to annex the West Bank without affording the people there any of the rudimentary rights we, as Israelis, consider integral to our political philosophy.

The Labour Party has always spoken of the dangers of Israel having to absorb over a million Palestinians into a country of 3.5 million Jews. But now that this is a fact, what does the Labour Party intend to do about it? Watch complacently as Jewish vigilantism grows unchecked? As students are sent to jail for extended periods for demonstrating? As journalists are detained in the middle of the night and held without trial for their political views?

What left do we have in this country that never raises its voice? And how can Liberals continue to sit in a government responsible for these policies, and continue to call themselves liberals? The extension of human rights to all the areas under Israeli control has nothing to do with the debate over Israel's claim to the West Bank for either security or historical reasons; it has nothing to do with whether or not these territories will or will not be given up in part or in full; it has to do with our national self-respect.

This never-never land of quasi-occupation and quasi-annexation has permitted too many things that should never have been allowed to happen--and all in the name of law and order.

The excuse given by those who advocate inaction is that nothing should be done that would change the legal status of the territories; that the extension of Israeli democracy to the territories would in fact be yet another strand in the web of annexation.

What they have in fact allowed to happen is the physical, geographical annexation of the West Bank without assuming any responsibilities for the rights of the people who live there. They have debated what is beyond debate, and have ignored their own hypocrisy, calling Rabbi Levinger a fanatic, while they themselves provide the Hebron roof over Levinger's head.

An organized political effort by the liberals of this country to extend democracy to the West Bank and Gaza will only help to sharpen the debate. It will force the nationalists to show their true colours. Do they really want to live as equal neighbours with the Arabs of Eretz Yisra'el, as any spokesman of Gush Emunim will tell you? Or do they want to live in a mini-South Africa in the other Israel, that special place on the other side of a mythical Green Line, where minority pockets of well-protected Jews live by a different set of rules from those governing the majority of the population? A place where race, creed, and religion dictate what you are allowed to say and how you are allowed to behave; whether you can vote or not, or whether you can carry arms or not.

By placing the extension of full rights to all the people Israel controls at the core of the political agenda, new political alliances will be forged in this country. The old frameworks that allowed the physical annexation of the West Bank to happen will become anachronistic, as they should. The problems that will arise in attempting to extend full rights to the Arabs of the West Bank, while at the same time ensuring the security of settlers there and guarding Israel against terror, will make the price of full annexation crystal clear to those who say we should annex.

It will serve to take the hypocrisy out of national debate. Those whose ultimate goal it is to annex the West Bank and Gaza to Israel, and who speak about the Arabs of Eretz Yisra'el living as a respected minority in the Middle East's only democracy, will now have the opportunity of joining the left in its battle for equal rights. Surely the annexationists cannot oppose the extension of Israeli law and citizens' rights, even the vote, over all of Eretz Yisra'el.

And what possible excuse could the left come up with for blocking the extension of equal rights to the people of the territories they have allowed to be physically annexed?

Those of us who want to live in a society that conforms to the basic principles of Zionism, principles that transcend the political philosophies of any of the parties that sit in the Knesset, can no longer allow one of the basic political questions of our time to be ignored. It is no longer possible, given that this government has succeeded in binding Judaea, Samaria and Gaza to Israel forever, to live with a double standard and still call ourselves democrats.

What the opposition now has to do is make this government accept the responsibilities of annexation, and perhaps by doing this, by forcing the issue, make it think twice about the advisability of allowing the injection of over another million Arab citizens into the Jewish state.

"Citizenship Now" for the inhabitants of the territories may be a more effective slogan against annexation than "Peace Now." For the latter means nothing; the former places a serious dilemma in the laps of those who want all, but are prepared to give nothing.

If nothing else, it will inject honesty into the national debate. It will draw a clear line between those who have been sincere in their belief that Arab and Jew can live together as equals, and those who have been saying this, comfortable in the knowledge that it would never come about.

The lines of battle between the democrats and those who are prepared to live in a different society have to be redrawn so that the nation can stand up and be counted. Only then will we be able to defend ourselves against the charges of racism, or succumb to them.

CSO: 4400/479

ISRAEL

GOLAN DRUZE EXEMPTED FROM SERVICE, CITIZENSHIP

TA220837 Jerusalem THE JERUSALEM POST in English 22 Aug 83 p 3

[Report by Ja'aqov Friedler]

[Text] Haifa--The government has virtually abrogated the controversial Golan Heights Law--which extends Israeli law to the area--as far as its 14,000 Druze residents are concerned.

It was learned yesterday that the government has officially exempted the Golan Druze from the Compulsory Military Service Law. Furthermore, they will not be obliged to accept Israeli citizenship.

Israeli law was extended by the Knesset to the Golan in December 1981: It was met by strong opposition by many Druze. When the government attempted to force them to accept Israeli identity cards, they launched a general strike that lasted 5 months.

The Druze will still be required to carry Israeli ID's, which foreign residents of Israel also carry, but they need not enter a "nationality" description.

The government's decision to exempt them from compulsory military service (which applies to Israeli Druze) was conveyed to their spiritual leader, Shaykh Salman Tahir, by the Interior Ministry's northern representative, Yisra'el Koenig, in June, but has only now become known.

Koenig wrote that the defense minister had "authorized" him to inform them that the Compulsory Military Service Law would not apply to them.

At a later date, Koenig informed the Druze community that they would not be "forced" to accept Israeli citizenship.

This now means that the Golan Heights Law applies fully only to the 3,500 Jewish settlers in the Golan, more or less returning the situation of the area's size to what it was before the Knesset acted.

THE JERUSALEM POST has learned that the Golan Druze leadership is still demanding the resumption of the fortnightly border meetings with their relatives in Syria; the free sale of their farm produce to Syrian markets; regular home leave for the 56 Golan students in Syrian universities and permission for more to study there.

They said Syrian authorities have agreed to these demands, provided the Israeli Government concurs.

CSO: 4400/479

ISRAEL

BRIEFS

DRUZE RADIO STATION--[Report by military correspondent]--Israel has given the Druze in the Al-Shuf mountains permission to set up a radio station in territory controlled by the IDF. The Druze have promised in return, to refrain from anti-Israel broadcasts. In the past, the Druze operated a radio station in territory today controlled by the Syrians in Lebanon. For several months now, the Druze have been asking the IDF for permission to establish a new station and transfer equipment from the old one. Among the Druze who appealed to the IDF in this matter were some of Junblatt's supporters. After much difficulty in deciding, Israel recently decided to grant the Druze request. A site for the new station has been chosen near a Druze village under IDF control in the Al-Shuf mountains. [Text] [TA090817 Tel Aviv HA'ARETZ in Hebrew 9 Aug 83 p 1]

MILITARY INDUSTRY'S NEW CANNON--Israel Military Industry took the wraps off a 60-mm cannon today. The cannon, mounted on an armored personnel carrier, is intended to add firepower to infantry detachments. Our military correspondent reports that the cannon revolves on a turret, and that it is effective against tanks, fortifications, vehicles, and combat helicopters. It fires various types of ammunition, such as shells encasing warheads [pigze hetz] that can pierce all the tanks used in the region, including the Soviet T-72 tank. The director of Israel Aircraft Industries said that its factories produce more ammunition than similar factories in England, France, Canada or Italy. The industries are currently marking their 50th anniversary. [Text] [TA221457 Jerusalem Domestic Service in Hebrew 1400 GMT 22 Aug 83]

CSO: 4400/479

WAFA INTERVIEWS JORDANIAN COMMUNIST PARTY, SECRETARY

IN101816 Baghdad Voice of PLO in Arabic 1615 GMT 10 Aug 83

[Text] Tunis--Brother Fa'iq Warrad, member of the PLO Central Council [PCC] and secretary general of the Jordanian Communist Party, has asserted that there are attempts to undermine the Palestinian edifice from the inside and that these attempts come from wicked persons who dream of another struggle movement for our people and another PLO without Brother Abu 'Ammar [Yasir 'Arafat]. This came in statements Brother Fa'iq Warrad made to WAFA.

He described the current stage of the Palestinian revolution as one of the most difficult. He said: We feel that we are experiencing the most dangerous crisis facing our Palestinian people's struggle in the past 40 years. The plotting is now aimed against the inside of the Palestinian edifice, which was previously subjected to foreign blows, but it has remained steadfast and emerged stronger. He added that the current attempts to strike the revolution come from two different directions. The first dreams that it is possible to have a struggle movement and a PLO for our Palestinian people without the leadership of Brother Abu 'Ammar, who is worthy of this leadership due to his struggle, sacrifices, and wisdom. He noted that the attempts to destroy Brother Abu 'Ammar, the symbol of the Palestinian people have expressed their clear and frank stand through their various institutions, particularly at the 16th PNC session. Our people have reiterated their commitment to their national rights, self-determination, the establishment of their own independent state under the PLO, and placed their confidence in the PLO Executive Committee led by Brother Abu 'Ammar. This has been the will of our people which is the outcome of experience, struggle, confidence, and knowledge. No one should belittle or reject this will. On the contrary, it must be respected and appreciated.

Brother Warrad regretted some faulty stands. He said that although it is logical and in accordance with the national duty to completely reject the Reagan plan, it is wrong to look at the other sound political stands from the same view or compare them with the Reagan plan. Among these sound stands are the Soviet peace plan and the Arab FES plan. He said that the Reagan plan is a plot against the Palestinian people and that the United States presented this plan which frankly says that there is no place for the PLO and said no to the Palestinian state and no to the Palestinian land. This plan confirms that the U.S. alliance and strategic relations are with Israel.

Brother Fa'iq Warrad expressed confidence that Brother Abu 'Ammar will continue to march forward and firmly at the head of our Palestinian people. He voiced his delight at the fact this was the feeling throughout the PCC meeting. He also expressed his sorrow and pain over what is taking place in al-Biqa'. Warrad called for further entrenching the democratic methods and for favoring dialogue and discussion to the language of arms.

CSO: 4400/481

CENTRAL BANK GOVERNOR DISCUSSES ECONOMIC GROWTH, ARAB AID

London AL-HAWADITH in Arabic No 1386, 27 May 83 pp 65, 67

[Interview with Dr Muhammad Sa'id al-Nabulsi, governor of Central Bank of Jordan, by 'Adnan Karimah; "Governor of Central Bank of Jordan to AL-HAWADITH: Baghdad Summit Aid Has Declined and Amman Summit Commitments Have Evaporated; Remittances of Jordanians Abroad Equilibrate Balance of Payments; We Are Not Trying To Rival Beirut Because Amman Financial Market Is Local Market"]

[Text] After a decade (1972-1982) during which the Jordanian economy experienced its best period of prosperity and recorded high growth rates, described as abnormal, Jordanian officials now acknowledge that the Jordanian economy has been undergoing a period of stagnation since the end of 1982--a recession that is not divorced from area political developments directly linked with the Arab-Israeli conflict. This indicates a decline in this year's growth rates.

AL-HAWADITH has interviewed in Amman Dr Muhammad Sa'id al-Nabulsi, governor of the Central Bank of Jordan, and conducted with him a dialogue on the various economic and financial aspects, on Arab aid, on the position of the Amman financial market, on how this market has benefited from the absence of the Beirut market and how it has competed with or complemented this market and on the future picture in light of political and security developments. Here is the text of this exchange:

[Question] The Jordanian economy is faltering these days or, if you wish, it is stagnating. What are the reasons, and what is your evaluation of this phase?

[Answer] There is no doubt that the Jordanian economy is undergoing a phase that is difficult to call stagnation in the literal sense of the word or in the "technical economic" sense of the word. It is a period of slowdown in the rates that prevailed in the economic activity in the 1970's or, to put it more precisely, in the 1972-82 period, i.e., throughout a full decade in which very high rates of economic activity prevailed. There was continuous momentum and unceasing growth. Of course, what has become obvious in the final months of 1982 and the first months of this year is that there is a slowdown, if the economic activity is compared with the previous rates.

What can we say about its causes? They are, in fact, numerous. First, by their nature, economic growth in any country cannot continue at constant and rapid rates. Here we must remember that the Jordanian economy has grown in the past 10 years at a rate exceeding the rates of nearly all other countries. The growth rate in national production ranged from 8-10 percent annually. In itself, this rate is so high that it could not, by the nature of the economic activity, continue and there had to come a time when it would slow down and decline a little to take a breather.

This is in the nature of the semifree economy prevailing in Jordan, which is closer to a guided economy. On the other hand, we see that this slowdown is parallel to an international stagnation in foreign trade, growth and employment and to stagnation in the area resulting from the drop in oil prices and production and security events in the area that have also cast their shadow, creating a form of economic instability, as in the case of what is happening in Iraq and Lebanon, as well as other developments.

There are also special problems in some countries of the area that have had peripheral effects, such as the problems and upheavals in the Kuwaiti financial market and the Gulf oil spill. These are problems that lead to a sort of general instability in the area.

In view of all these factors, we find that Jordan has been exposed to a kind of slowdown. This is reasonable and acceptable. Rather, the occurrence of this slowdown has come somewhat late.

[Question] What are your estimates for the 1983 growth rate?

[Answer] So far, the signs have not yet unfolded completely. I don't think there will be a big drop in the growth rate, which perhaps will not fall below 7 percent compared with the 9-10 percent rate last year. I am talking of the real growth rate, after taking into consideration inflation, which in Jordan has fallen considerably and is expected not to exceed 6-7 percent this year.

[Question] There is no doubt that the drop in oil production and prices has a direct and indirect impact on Jordan, especially since Arab financial aid represents nearly half of the state revenues. In your opinion, what effect does this have on the Jordanian economy and on the balance of payments in particular?

[Answer] Official financial aid consists of two parts. One was determined at the Baghdad summit and has continued without two Arab countries that have failed to pay, namely, Libya and Algeria. The other countries have continued to pay their share. It is known that Iraq has stopped paying due to its special conditions and circumstances. We have not been surprised by this. What really surprised us is that Iraq continued to pay until the end of last year. We hope that Iraq will bring greater capabilities and greater resources to bear on its financial situation in order to cope with its fateful battle. This is why we don't consider the stoppage by Iraq as constituting a flaw in the Arab aid to Jordan. The greater flaw has

developed in connection with the outcome of the Amman summit, in which it was decided:

First, to allocate funds for joint Arab development. Regrettably, no monies have so far been disbursed to the countries concerned.

Second, to allocate funds to deal with the shortage resulting from Libya's and Algeria's failure to fulfill their commitments. This has been done in part, considering that a number of countries have paid their obligations. What is surprising is that Iraq has been foremost among these countries whereas other countries made their payments for a period of time and then stopped.

This is the situation insofar as official Arab financial aid is concerned. As for the flow of unofficial Arab capital to Jordan, i.e., private financial remittances, the figures at our disposal indicate that these remittances are still strong and healthy and that they continue to grow. However, the growth rate has declined somewhat compared with previous years when the remittances grew at high rates.

[Question] Is it possible to know the value of the official aid and the volume of the private money coming into Jordan?

[Answer] It is well known that the Baghdad summit set a sum of nearly \$1.2 billion for Jordan annually. If we exclude Libya and Algeria, the figure drops to nearly \$950 million. This figure continued for a long time and then dropped to \$770 million as a result of Iraq's suspension of its payment.

[Question] Is the remaining sum continuing to come in and is it paid by the countries that have undertaken the commitment or will the drop in oil prices and production affect the figure?

[Answer] So far, we feel that the sum should not be affected. There are some Arab countries, such as the Kingdom of Saudi Arabia, that have hastened to declare their abidance by their commitment, regardless of the oil circumstances. But some other countries are experiencing difficulties and may be late in making their payments, as has actually happened. But we are confident that these countries will ultimately pay their full commitments.

[Question] It seems that the impact of the drop in Arab oil revenues on Jordan has drawn the attention of economic observers, considering that the Arab financial aid constitutes more than half the revenues of the Jordanian state treasury.

[Answer] The fact is that this percentage is diminishing constantly. When the aid reached its maximum, it amounted to nearly half of the state budget. This was 3 years ago (1979-80), but now the percentage has dropped to nearly one-third of the state's current, development and defense budget, keeping in mind that the aid figures are included in only a small part of the

state budget. The major part of the aid is designated for building up Jordan's defense capability in accordance with a separate budget.

[Question] Can you estimate the value of the financial remittances from abroad?

[Answer] The remittances received by the end of 1982 through the banking apparatus amounted to nearly \$1.2 billion. It is also estimated that \$300 million were received via channels other than the banking apparatus. Thus, the total was nearly \$1.5 billion.

[Question] In view of these figures, what is your evaluation of the Jordanian balance of payments?

[Answer] The fact is that the remittances constitute a major figure insofar as the balance of payments is concerned. These remittances equal nearly half the value of Jordanian imports and far exceed the value of Jordanian exports.

[Question] Is there a surplus in the balance of payments?

[Answer] In fact, the balance was even at the end of 1982.

[Question] It is said that Jordan has been affected by al-Manakh crisis in Kuwait. What is the extent of this impact, especially on Jordanian investments?

[Answer] The impact has been generally limited. Jordanian investments usually rely on the monies of Jordanians working abroad. These are not Arab or foreign investments. The remittances of Jordanians who remit from their own private resources have not been affected by al-Manakh crisis. The truth is that the direct impact of al-Manakh market crisis on Jordan has been very limited, almost negligible, except for general morale, considering that the crisis contributed to creating an unstable psychological atmosphere.

[Question] It is noticed that the financial system in Jordan is a mixture of freedom and guidance, so much so that it has been described as being closer to being guided than free in view of some restrictions that have worked against attracting Arab and foreign investments.

[Answer] (Al-Nabulsi interrupting) On the contrary, Jordan over the past 10 years, since the start of development has exerted planning, and continues to exert efforts unmatched by any other Arab or developing country to attract capital, be it Arab or non-Arab. This is why Jordan has a law encouraging investment that has no equal, as far as I know, in any other country in providing incentives, whether in terms of tax exemptions or administrative and organizational exemptions. Moreover, we have given the investor an ideal investment climate. There is an open financial market and there are stocks and bonds that are sold to citizens and to noncitizens. There is land and real estate and very few restrictions

imposed on registering them in the name of non-Jordanians. This is something that does not exist in any other Arab country.

[Question] What about the restrictions imposed on the transfer of money outside the country, which is something that concerns investors who want to take out their profits?

[Answer] Taking out money is a different matter. We had an old currency control law that prohibited taking money out of the country except within certain limits. We initiated a policy to alleviate these restrictions and this policy has reached advanced stages of implementation. This policy is considered one of the most important investment incentives.

[Question] Does this mean that there are no restrictions on taking out profits?

[Answer] There certainly are no restrictions on taking out profits and capital.

[Question] Regardless of the amount and with no limits?

[Answer] Regardless of the amount. Profit and capital that enter officially are allowed to be taken out officially, the same way they entered. Moreover, we permit the banking market to remit without limitations money for current purposes, such as trade transactions, payments and services. We only have one restriction, namely, that banks are not permitted to transfer capital to the outside world. In other words, current remittances are permitted but capital remittances are not even though the money exchange market, which is a free market, makes capital remittances.

[Question] The truth is that it is seen that Amman's inability to rival Beirut is due to the restrictions imposed in the financial system.

[Answer] At no time have we tried to rival Beirut. If we had this objective, we would perhaps have moved in different directions. It is true that Beirut enjoys full and unrestricted freedom in remittance transactions whereas we have some restrictions on capital remittances, as I have already noted. This is not, in my opinion, the main reason because the restrictions have not obstructed large expansion projects in the past few years. I believe that Beirut itself now hopes to follow the example of such expansions. The activity in the financial market and in the banking market, the development in the collective loan market and in building financial companies and investment firms--all this does not exist in Beirut, which recently has tried to emulate some of the companies set up in Jordan for the purpose. These companies specialize in issuing loan bonds for the state and for firms, in issuing collective loans and in [setting up] major financing consortiums. All this has actually happened in Amman in the past decade, whereas they have never existed in Beirut. The Beirut money market still finds it extremely difficult to keep pace with these developments. I do not think that anybody has preceded us in this development, with the exception of Kuwait, where development has come as a result of the accumulated surplus

monies from oil revenues and not as a result of organization. The most eloquent proof of this is that what happened in al-Manakh market has not, fortunately, happened in Jordan due to the full and alert regulation of transactions on the financial market.

[Question] Will Beirut's revival, God willing, of its financial and commercial role affect the activity of the Amman financial market?

[Answer] I have been to a financial symposium in Beirut and I have asserted repeatedly that we not only welcome the resumption of activity in Beirut's market and hope, God willing, that this activity will regain its past prosperity but also consider this matter vital for Lebanon and the area. I hope that nobody will feel that we have any desire to embark on a rivalry. We have our own path, which is founded primarily on building the internal financial position, i.e., the internal banking and financial markets, to supply Jordan with its internal development needs and not to attract international activities and turn Amman into an international financial center. This is not our objective in this phase because we believe that laying down the cornerstone for internally integrated financial and banking agencies is more important and beneficial at present. We do not want to tackle either international or offshore financial markets or banks before we finish building our internal apparatuses strongly, capably and impregnably. This is why I have said that we are waiting for Beirut to resume its activity and why we find this activity beneficial and complementary to Amman's financial operations.

[Question] A final question. In light of the area's political and security developments and the impact of these developments on the economic situation, what is your view of the future of Amman's financial market?

[Answer] In our approach to developing Jordan's financial market, we have always been aware that we are a frontline state with the longest borders with Israel and that we are a part of the area and its security problems. This is why we have always proceeded to build our financial agencies so that they are not subject to repercussions from political events. To put it another way, in all the steps we have taken, we kept in mind the possibility of rapid political changes in the area. It is essential to isolate the financial and banking agencies from such developments and to create agencies that can absorb political shocks or political upheavals. This, in fact, is our objective. I have noted in this conversation that we have focused more on internal financial transactions than on external international operations. This, of course, is relative and no country in the world, no matter how strong, can isolate its financial markets from the international or regional markets. All we hope for is that our financial agencies will be affected only minimally by such developments.

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CSO: 4404/433

PAPER ASSAILS KHOMEYNI ON PILGRIMAGE REMARKS

GF191432 Kuwait AL-ANBA' in Arabic 18 Aug 83 p 1

[Editorial: "Islam Has Nothing To Do With Them"]

[Excerpts] He was silent for a long time, but when he talked he displayed his infidelity. This time he exceeded all the legal and illegal limits by trying to foment the seeds of division and discord in the holiest place on earth, in the most immaculate spot in this world, in the most honorable religious occasion, and in God's vicinity.

Khomeyni issued his "revolutionary" statement yesterday, in which he demanded the conversion of pilgrimage into a political war as if he were not satisfied with the bloody battles which have taken the lives of many Muslims over the past 3 years and more. Thus, he is trying to transfer the battles to the heart of the Islamic nation, to the Ka'bah which is the center of all Muslims' attention at all times.

What Khomeyni desires neither pleases God nor his Prophet. The Ka'bah, with all its immaculacy and sanctity, does not need the exportation of revolutions. It is neither a place for settling differences nor a place open for everybody to disseminate their feverish views and suspicious calls, and thus expose the unity of the Islamic world to further division and disunity.

Khomeyni--who disperses his charges in every direction in the Islamic world as if he were the only one who protects Islam--forgets or ignores the fact that he is the one who eradicated the unity of the Islamic world, the one who allowed what God banned, the one who nullified Islamic law by allowing Muslim to kill his brother, and the one who inundated the nation of Muhammad with blood, with differences and with crises. As he covers his campaign on the pilgrimage with the false call for fighting the United States and the Soviet Union, when he is the one who is paving the way for the interference of the superpowers. He is the one who gives these powers the justification to set in motion their dreams and plans with his strange insistence on continuing the Iraqi-Iranian war by turning his back on all the efforts of the Islamic nation--which are designed to bring about an end to the continuous blood-letting. Thus, this tyrant continues his arrogant and distortive role in the name of religion, when in fact, religion has nothing to do with it.

The Islamic world has endured much of Khomeyni's irresponsibility, both his statements and behavior. Conversion of words into acts and having threats extended to the holy Ka'bah can neither be accepted by Islam nor can Muslims remain silent at the prospect.

CSO: 4400/477

LEBANON

UAE AMAL, PHALANGIST LEADERS COMMENT ON ISRAELI WITHDRAWAL

GF191100 Doha QNA in Arabic 0920 GMT 19 Aug 83

[Text] Abu Dhabi, 19 Aug (QNA)--In a statement published in Abu Dhabi today, Nabih Barri, the leader of Lebanon's Amal movement, said that Israel's partial withdrawal from al-Shuf and 'Alayh in Mount Lebanon to the Awwali River is a step that will have very serious repercussions on Lebanon because it means Lebanon's partition and the separation of southern Lebanon and the dispersal of its people in the future.

In a statement to the UAE paper AL-ITTIHAD Nabih Barri said that Amal will not stand idle in the face of Israel's partial withdrawal, for southern Lebanon will become a volcano of fire in the face of the enemy's tanks and soldiers and Amal will fight alongside the steadfast citizens of southern Lebanon.

He reaffirmed that Amal will not remain silent in the face of the actions of the Israeli occupiers Lebanon, and said that the inhabitants of some villages and towns in southern Lebanon are suffering from the fascist and racist terrorism of the Israeli occupation authorities and their agents.

AL-ITTIHAD also cites Pierre al-Jumayyil, the leader of Lebanon's Phalangist Party, as saying that a partial Israeli withdrawal to the Awwali River means the partition of Lebanon and the perpetuation of Israel's domination of southern Lebanon.

Al-Jumayyil added: We will not relinquish southern Lebanon, and we will continue to struggle there until the homeland is liberated of all foreign armies. All of us, Muslims and Christians, must agree among ourselves and unite to confront the dangers threatening Lebanon. We must stand united and support the government and the legitimate authorities so that we can rid the country of the nightmare of partition and occupation.

CSO: 4400/478

BRIEFS

SYRIAN VIOLATION OF PLEDGE—Shaykh Pierre al-Jumayyil [the Phalangist Party leader] has expressed his regret that Syria has not honored its assurances that it will not be a stumbling block in the way of withdrawal should Lebanon secure an agreement ensuring Israel's withdrawal. Al-Jumayyil said that Syria is today the main problem in the sphere of withdrawals, although Syria and all the Arab states were kept informed about the details of the negotiations for the agreement. Al-Jumayyil thinks that the United States will be compelled to resort to war when it finds that the way to a political solution is blocked. [Text] [NJ191852 Beirut Voice of Lebanon in Arabic 1715 GMT 19 Aug 83 p 1]

MILITARY COURT SENTENCES—The military court has concluded its trial of six Palestinians belonging to the PFLP who were accused of attempting to assassinate Colonel Qasim Siblîni, chief of the Lebanese Army intelligence in the south, in Al-Sa'diyat on 8 April 1982 and of killing 'Abd al-Rasul Hamdan, a civilian, on the same day. The court sentenced Khalid Ward to death, commuting it to 15 years imprisonment. Muhammad Musa was sentenced to death, and Marwan al-Fahum to death in absentia. The court sentenced Faysal Faris to hard labor for life. Suhayl abu Kharrub and Munib Dahir were acquitted of the crime, but sentenced to 1 year imprisonment in accordance with article 72 of the arms code. The court acquitted the accused of the crime of restricting the freedom of the military personnel who accompanied the colonel. [Text] [NC191223 Beirut Domestic Service in Arabic 1130 GMT 19 Aug 83]

LEBANESE MILITARY COURT SENTENCES—An official PFLP spokesman has denied the charges made by the Lebanese military court against some of the front's members accusing them of being responsible for the attack against Colonel Qasim al-Siblîni head of the Lebanese Army intelligence in the south. Reports quoted the spokesman as saying that the prison and death sentences against several PFLP members fall within the framework of the campaign of harassment by the authority and Phalangists against the Palestinian people and the nationalist forces. The spokesman held the Lebanese authority completely responsible for its oppressive measures against the Palestinian and Lebanese peoples. He affirmed that the front will do its utmost to resist these measures and put an end to the policy of harassing the Palestinian people. [Text] [JN211900 Damascus Domestic Service in Arabic 1815 GMT 21 Aug 83]

MUFTI LAUDS AL-JUMAYYIL'S INITIATIVE--His Eminence the Mufti of the republic, Shaykh Hasan Khalid, has lauded President Shaykh Amin al-Jumayyil's initiative and his call on the leaders to convene a national conference at the presidential palace. His eminence the mufti expressed apprehensions about what is happening on the security level and said: Although we are greatly apprehensive of the anomalous practices, we cannot but express our optimism about a new hope to end this dangerous situation in Lebanon. The president of the republic made a statement after the recent cabinet meeting in which he denounced the obstruction of legitimacy through illegal contacts and practices and invited the national leaders to the presidential palace in the near future to convene a national conference that will propose political solutions that will contribute to the unity of Lebanon and the Lebanese people's will in the interest of all Lebanon. His eminence concluded his statement by saying: While lauding this initiative, we emphasize that all the Muslims and the Lebanese in Lebanon are prepared to respond with this initiative in a manner that will restore Lebanon's nobility and unity. [Text] [NC202159 Beirut Domestic Service in Arabic 1630 GMT 30 Aug 83]

GUNMEN ATTACK GENDARMERIE STATION--While contacts are taking place on various levels to ensure the deployment of the Lebanese Army after the withdrawal of the Israeli forces, about 25 socialist gunmen this afternoon attacked the gendarmerie station in Sawfar, detained its personnel, and seized a jeep and weapons belonging to the station personnel. This attack came at a time when Syrian Defense Minister Mustafa Talas arrived in Dahr al-Baydar accompanied by Walid Junblatt where a meeting was held attended by some shaykhs of the Druze community. In another development, a meeting was held this afternoon in the house of Amir Majid Arsalan to discuss the question of those kidnapped. The meeting was attended by representatives of the two sides. Agreement was reached to exchange 10 kidnapped held by the two sides. The exchange operation was supervised by Amir Talal, son of Amir Majid Arsalan. [Text] [NC201751 (Clandestine) Radio Free Lebanon in Arabic 1645 GMT 20 Aug 83]

AL-MURABITUN'S STATEMENT ON ARENS VISIT--In its first statement since the invasion of west Beirut and its disarming, the revolutionary committee of the al-Murabitun forces command stated that it regarded the visit of Moshe Arens and its implications as a compelling challenge and an insult to the feelings of Muslims and patriots. The committee declared in its statement, which was issued following its meeting under the chairmanship of Brother Ibrahim Qulaylat, that after completing the preparation stage, the movement's combat military units are now ready. The revolutionary committee of the al-Murabitun forces command saw in the visit of Arens the logic of victor and vanquished, and saw in the open possession of arms by one party, a justification for the decision to respond in open military confrontation. It affirmed that it is determined to correct this situation, stop the attempt to change the military and political balance, maintain the movement's position, and protect the dignity and morale of the Lebanese people in greater Beirut. [Text] [NC192132 (Clandestine) Voice of Arab Lebanon in Arabic 1730 GMT 19 Aug 83]

AUTHORITIES UNEARTH 'TERRORIST NETWORK'--The competent authorities have managed to arrest elements of a terrorist network belonging to the Communist Action Organization. Security sources have told us that a number of explosive devices were seized from the elements. [Text] [NC200922 Beirut Voice of Lebanon in Arabic 0915 GMT 20 Aug 83]

ANTI-LEBANON CAMPAIGNS--The Lebanese Foreign Ministry has urged the Lebanese ambassadors in Europe to confront the campaigns of distortion being launched by some news media against Lebanon. The ambassadors have been instructed to elucidate the facts and explain the Lebanese position. It should be recalled that the London GUARDIAN has said in an article that Lebanon no longer exists. [Text] [NC201041 Beirut Voice of Lebanon in Arabic 1015 GMT 20 Aug 83]

SECURITY FORCES FOIL INFILTRATION ATTEMPT--The Voice of Lebanon has learned that the competent security organs have unveiled an attempt by noncivilian elements to bring some officials of the [pro-Syrian] Al-Sa'iqah forces to Beirut. The aforementioned organs succeeded in arresting three officials of Al-Sa'iqah, including a member to the Al-Dayraki clan, who was in charge of Beirut before the Israeli invasion. [Text] [NC201238 Beirut Voice of Lebanon in Arabic 1215 GMT 20 Aug 83]

CSO: 4400/476

PALESTINE COMMUNIST PARTY OFFICIAL INTERVIEWED

NC101255 North Lebanon Voice of Palestine in Arabic 0500 GMT 10 Aug 83

[Interview with Comrade 'Isa, Palestine Communist Party commissar in northern Lebanon, by unidentified correspondent; date, place not specified--recorded]

[Excerpts] [Unidentified correspondent] Comrade 'Isa, there is of course a legitimate political framework for the Palestinian people which is recognized by most world states. As is known, this framework is the PLO. Through you, we want to convey to the masses of our people and the brothers who are listening to us now, a picture of the Palestinian Communist Party's position toward the PLO. In other words, what does the PLO mean to the Palestinian Communist Party?

['Isa] The PLO is the sole legitimate representative of our Palestinian people. This fact has been confirmed through our Palestinian people's struggles from 1965 until now. We confirm our adherence to the PLO as a broad framework that includes all Palestinian revolution groups and Palestinian national figures.

[Correspondent] Is there a contradiction between maintaining the independence of Palestinian decisionmaking and the Pan-Arab dimension of the Palestinian issue?

['Isa] There is absolutely no contradiction. The independence of Palestinian decisionmaking is consistent with our struggle's Pan-Arabism. Since we are the ones who are waging the struggle, since our people are the ones facing persecution, and since our people are the primary ones who fight for the occupied land and wage daily battles, our people are more knowledgeable of their issue. Therefore, the independence of Palestinian decisionmaking does not contradict the Pan-Arabism of the struggle. On the contrary, our Arab brothers should support us in this struggle.

[Correspondent] As we know, our people and masses are unhappy about what is happening now in the Palestinian arena. It is clear that there is a difficult situation. A sort of infighting has taken place in the past weeks, using weapons which were supposed to be used against the Zionist enemy. That is the Palestinian Communist Party's position toward what is happening? How does it see and analyze what is happening in the Palestinian arena?

['Isa] Great importance is attached to what is happening in the Palestinian arena on the Arab and international levels. This is because in view of Fatah's size and its large role in the Palestinian national struggle, effects of the crisis in Fatah have extended to the Palestinian arena. It is important because of its influence on the future of the Palestinian struggle and the future of the Arab area, which is facing a broad imperialist-Zionist onslaught. Actually, what happened--including the use of arms--has hurt every Palestinian and every true patriot. This is because the present stage demands the maximum degree of unity and preparedness in order to continue the struggle against the Zionist enemy. What is required is not resorting to arms and stopping the fighting. This is an immediate popular request that we address to all the brothers in Fatah and in the Palestinian arena. Everyone is working to end this fight and to resort to democratic dialogue to achieve comprehensive reform that would ensure the unity of Fatah and the PLO. What is needed is that, instead of resorting to arms, we should direct all our efforts to combating the Zionist enemy wherever he is in Lebanon and in the occupied lands.

[Correspondent] What is the position of our comrades in the Palestinian Communist Party toward the present situation in the Arab world?

['Isa] Actually, despite the deteriorated situation in the Arab area, we generally do not see the situation as desperate. Our Palestinian people have gained lots of experience through their struggle against the Zionist invasion. Our Palestinian people, our fighters in the Palestinian revolution, the masses of Lebanese people, and the Lebanese national forces have great struggle potential. This proves that the Arab peoples have great potentials if they are utilized against the Israeli enemy. Pessimism is unwarranted.

Our masses in the occupied land have the urgent task of reshaping the Palestinian national front into a framework that includes and mobilizes all the forces hostile to the occupation. We also call for intensifying the struggle in various forms--including armed struggle--in the occupied land against the Zionist invaders.

This should also be an impetus to immediately end the fighting in the Palestinian arena and thus to solidify the Palestinian arena, the Palestinian revolution, the PLO, and the Fatah movement, and to introduce comprehensive democratic reform on the basis of safeguarding and strengthening the Fatah movement, the PLO, and the independence of Palestinian decisionmaking. It would also strengthen Palestinian struggle relations with sister Syria, because Syria is the Arab confrontation state which is standing with its army against the current plans. It is equipped to wage a military struggle against the Israeli enemy, and to strengthen PLO relations with the rest of the Arab national states and the Arab national liberation movement's groups, and particularly to strengthen these relations with the National Salvation Front in Lebanon, which is a good sign in the Lebanese arena. There is no cause for pessimism. It has been proven that we are able to confront, to fight and to win.

We spoke about strengthening PLO relations with the National Salvation Front, sister Syria, the Arab nationalist states, and the Arab national liberation movement. But there is a principal task--cementing and strengthening the

struggle relations and alliance with the Soviet Union, the socialist bloc states, and with all the liberation and peace forces which support us in our struggle for our right to return to our homeland, to self-determination, and to establish our independent national state.

CSO: 4400/482

BRIEFS

POLITICAL PROCESS SUPPORTED--A group of Palestinians, including exiles from Judaea and Samaria, has been organized in Amman. The group intends to hold a conference apparently in Kuwait, to spur the PLO to enter the political process. Our correspondent has learned that one of the leaders of this group is 'Abd al-Majid Shuman, the director of the Arab Bank and a member of the PLO National Council. The Arab Bank is the principal financier of development plans in the territories. The members of this group are connected with the moderate wing of the PLO, and some are not even PLO members. They want to call the Kuwait conference a meeting of Palestinian intellectuals, outside the framework of the PLO. Two weeks ago there was a preparatory meeting in Amman at which several drafts were prepared stating that the principle of the partition of Israel must be accepted, that the armed struggle had reached its end, and that the political process had to be entered in the framework of the Reagan plan. Figures from Judaea and Samaria also attended that meeting. According to an unconfirmed report, they crossed the Jordan Bridges at 0600, before the official opening hour, so as not to be seen leaving. [Report by Pinhas 'Inbari] [Text] [TA121314 Tel Aviv 'AL HAMISHMAR in Hebrew 12 Aug 83 p 1]

GOVERNMENT IN EXILE DISCUSSED--Brother Abu al-Adib [Salim al-Za'nun], Fatah Central Committee member, has made a statement in which he said that there will be no Palestinian Government in exile, particularly at the present time, because it would not be in keeping with the Palestinian people's interests. Brother Abu al-Adib, who was speaking at Kuwait airport upon his return from the PLO Central Council meetings in Tunis, added that the Palestinian forces, which are present in the al-Biqa', will remain there. Asked if the Fatah movement will take any measures against the mutineers in case they reject the mediation endeavors, Brother Abu al-Adib said that Fatah Central Committee will not make any decision as long as the six-member committee and the PLO Central Council Committee are making endeavors. Brother Abu al-Adib said that, during their recent meeting, the Palestinians proved that they are capable of protecting the PLO and that the Tunis meetings have confirmed complete faith in Palestinian national unity and in the necessity of resolving all the disputes with fraternal Syria. [Text] [NC092114 North Lebanon Voice of Palestine in Arabic 1915 GMT 9 Aug 83]

NATIONAL CHARTER ISSUED--Reports from the occupied West Bank say that the agent Village Leagues are preparing to publish the so-called Palestinian national charter for peace to replace the PLO charter. The Village Leagues' charter

calls for the recognition of the Israeli entity according to secure and recognized borders. Reports add that this charter was submitted during a meeting recently held by the heads of the agent Village Leagues in Ramallah. This development comes after the internal crises of these leagues and aims at turning these leagues into a political party. [Text] [JN121236 Amman Domestic Service in Arabic 1200 GMT 12 Aug 83]

CSO: 4400/482

BRIEFS

NEW TELEVISION CHANNEL--Saudi television is to open a new channel on 9 August, catering to largely foreign audiences. Three-quarters of the programmes on the new channel will be foreign films and other programmes carrying Arabic subtitles, according to TV officials quoted by Saudi newspapers. The existing channel has been on the air for 16 years. [Text] [GF310447 Manama GULF DAILY NEWS in English 31 Jul 83 p 5]

SAUDI FUND EXPENDITURES--Muhammad Aba al-Khayl, minister of finance and national economy and chairman of the board of the directors of the general investments fund, has approved expenditures in the amount of 485.6 million riyals, which represents installments for the loans which the fund previously granted. This was stated by an official source at the Ministry of Finance and National Economy, who said this expenditure is to finance a number of projects, which include the setting up of a refinery in Yanbu' and a refinery and petrochemical complex in Jubayl and Yanbu', and setting up a factory for methanol in Jubayl. He said the total amount to which the fund has been committed from 1970 through the middle of this month was 75,756 million riyals, 49,366 million riyals of which has been actually spent. [Text] [GF030611 Riyadh Domestic Television Service in Arabic 1930 GMT 2 Aug 83]

PLO COMMITTEE ASSESSES LEBANON WAR--Tunis--SAWT AL-SHA'B has learned from informed sources here that the committee which was formed by the PLO Executive Committee, the PLO Central Council, and the Revolutionary Council to study and assess the recent war in Lebanon has completed the major part of its task. The committee met with the Palestinian forces in Tripoli, al-Biqa', and in various Arab countries. The committee is headed by Abu al-Hakam [Mahmud al-Rawsan], official in charge of the revolutionary court. [Text] [JN030834 Amman SAWT AL-SHA'B in Arabic 3 Aug 83 p 1]

FOUR-MONTH FISCAL REPORT--At-Ta'if, 14 Aug, SPA--Finance and National Economy Ministry today released its periodical report on the first 4 months of the current fiscal year, covering the period from 14 April to 16 August. The report said the government expenditures during this period had totaled 69,210 million riyals, recording an increase of only six percent over last year expenditures for the same period, nine percent more than the fiscal 1981-82, and 37 percent more than the fiscal 1980-81. The total assets of commercial banks until 10 July, 1983 had been 133,345 million riyals, showing an increase of eight and half percent over the same period last year, the report added. The

total value of the kingdom's exports of commercial commodities, raw material and food stuff for this period had been 47,000,56 million riyals [figure as received] and it was almost equal to the total spent on these items last year, the report added. The report indicated an expansion in the country's national economy which it said was achieving a noticeable and steady growth. [Excerpts] [LD150332 Riyadh SPA in English 1242 GMT 14 Aug 83]

CSO: 4400/481

NEW PROJECTS IN AL-QUNAYTIRAH OUTLINED

Damascus TISHRIN in Arabic 26 Jun 83 p 5

[Article by Shahadah al-Sha'bi: "The Heroism of Our Forces, The Principles of Our Party And the Firmness Of Its Positions; We Liberated Al-Qunaytirah and We Will Advance to Liberate All Occupied Territory"]

[Excerpts]

Village Reconstruction

Three officials in al-Qunaytirah discussed this subject. Comrade Ahmad al-Halabi, the secretary of the Province and a member of the executive committee, said that after the president raised the national flag in that incomparable celebration on 26 June 1974, the initial reconstruction movement began in the province, where all villages that had been under occupation in 1973 and liberated with the city of al-Qunaytirah have been rebuilt. Moreover, 1500 [houses] have been reconstructed and restored in 12 villages and, at government expense, the inhabitants are returning to them, where they are taking up permanent residence after having tilled their lands and after restoring normal life to these villages.

The City of Al-Ba'th

He went on to say that a second reconstruction process began, which included constructing the city of al-Ba'th with its two districts. One is the residential quarter, composed of 600 housing units, and the other is the service quarter. The residential district was begun in 1980 and construction still continues. It will be completed in the beginning of next year with estimated costs of more than 100 million Syrian pounds. As for the service quarter, let us mention a number of its facilities:

Government house: A large two-story building, on which work began in 1980. It is in the process of completion, at a cost of 20 million Syrian pounds.

The party's branch office will be completed the end of this year.

An industrial, technical secondary school has been completed. There are also other buildings in the process of completion. The most important are: the

branch office of the Revolutionary Youth Federation, the Construction Organization's branch, along with its warehouses, the Teachers' Union building, the Directorate of Electricity's building (completed) and the building of the Directorate of Wire and Wireless Communications.

The Villages of 1967

As for villages occupied in 1967 and liberated on 25 June 1974, they number some nine villages:

1. Al-Hamidiyah: It is composed of 24 housing units; construction of them began in 1981. They will be completed the last part of this year, at a cost of about 32 million Syrian pounds.
2. Bariqah: Its construction began in 1982, composed of 21 housing units, at a cost of 37 million Syrian pounds. They will be completed in July 1984.
3. Al-Asbah: Work began last year, and will be completed by the end of this year.
4. The village of al-Rafid: It has 30 units, at a cost of 51 million pounds, to be completed in 1984, after work began on them in 1982.
5. The two villages of al-Qahtaniyah with 89 housing units, and Bir 'Ajm with 104 units. The technical study has been completed for them, and bids will be put out to public sector firms.
6. The two villages of al-Hurriyah and al-'Amdaniyah al-Gharabiyah. The technical study for both of them is in its final stage and bids will be let at the end of this year.

In addition to the above, there are other miscellaneous projects in the province, such as the al-Qunaytirah city water tower, which has been finished.

The Service Sector

Engineer Hasan al-Husayn, the director of technical services, said: "Al-Qunaytirah has many important projects under implementation by the Directorate of Technical Services, and a large group that is out for bids, including:

Water

The Ghadir al-Bustan water project which will irrigate 40 villages and certain farms, at a total cost of 24.25 million Syrian pounds. The length of its main line is 70 [word omitted]. A bid has been given to the Military Construction Agency.

Water projects for the city of al-Ba'th and the villages of Jiyah, Umm al-'Azham, al-Mashirfah, Majduliyyah, Nab' al-Sakhr, and al-Kawm al-Awsat. A meeting house is under completion in Sa'sa', at a cost of 10 million pounds, in addition to other projects in various villages.

Sanitary Drainage

In this area, there are a large group of projects, distributed as follows: A sewage project for the city of al-Ba'th for its residential and service quarters; a project for the villages of Jiyah, Umm al-'Azham, al-Kawm al-Awsat, and the rest of the villages listed above, as well as Hadhr, Jibata al-Khashb, Tarnajah and Khan Arnabah, which have been served with sanitation. There are new projects in Kawm al-Wisiyah and Nab' al-Sakhr which will be implemented this year. The cost of these projects is estimated at 15 million Syrian pounds."

Schools and Hospital

The director of services added:

"Last year, contracts were signed with public sector firms to build 30 schools, distributed among the forward villages and the housing complexes. The cost of these schools was estimated at 45 million Syrian pounds. Moreover, this year bids have been solicited to build 12 schools also to be distributed among the forward villages and housing complexes.

"In addition to that, there are several other projects, such as a building for education, 2.5 million pounds, a 120-bed hospital at 40 million pounds, construction for the Directorate of Wire and Wireless Communications at 2.5 million pounds, and four production units and workshops in the forward villages at a cost of 2.6 million Syrian pounds.

Roads and Electricity

"With regard to roads, the directorate has awarded contracts to the al-Qunaytirah branch of the Qasiyun Company to build, pave and asphalt 24 kms in the forward villages, at a total cost estimated at 8 million Syrian pounds, in addition to the already existing roads being supplied with a coat of asphalt at a cost of 4 million pounds.

Regarding electricity, all villages and farms in the province have been supplied with it without exception."

The Farmer and the Land

"Agricultural work began in the beginning of 1981, and the basic purpose of this work was to permanently establish the farmer on his land." With these words, 'Ali Salum, the director of agriculture and agrarian reform, began his conversation. He added: "As regards our projects, the most important are:

"Fruit tree planting: these projects are being implemented through credits from the executive committee. So far, 14,000 dunums have been planted in 25 villages.

"In these projects, all services are given free to the farmer, such as agricultural planning, digging of holes, tree planting, irrigation, fertilization,

and grafting, for a period of 3 years, after which they are turned over to the farmer, when they are in the production and fruition stage.

"The beehives of Nab' al-Fawwar: to raise bees, with credits from the executive committee. Its capacity is 200 cells, and the purpose is to produce honey and swarm the bees. In 1982, 1151 kgs of honey was produced, in addition to 45 swarms. It is expected that 2 tons of honey and 75 swarms will be produced this year.

"The Khan Arnbah sawmill: Its credits were from the executive committee. Modern beehive cells are made there. Its requirements produced in 1982 were 100 cells distributed over the agricultural districts in the provinces, in addition to 200 stacked grapevine crates.

"The project of the agricultural supervisors' headquarters: This project was implemented at the directions of the Central Committee of the party, which required that agricultural engineers be accommodated in the villages.

"The Golan flower nursery: Unfunded, it was built with the surplus of agricultural projects. The purpose of it is to produce ornamental plants and flowers, as well as house plants.

"Digging agricultural wells: A well is currently being dug for every 100 dunums of planted fruit trees. Six wells have been completed so far.

"There are also agricultural guidance units, of which six units have been established in various areas of the province. Their purpose is to guide the farmer toward pursuing better methods in his work, such as artificial insemination, improving cattle stock through cross-breeding, a calf-fattening station with a production capacity of about 600 calves. A contract has been concluded on this with the Libyan-Syrian Agricultural Investment Company.

"A milk-collection center: This collects milk from the neighboring villages and brings it to dairy product plants in Damascus, because of the waste which is associated with production, as a result of its being a process by elementary means on the part of the dairyman. Comrade Salum added: "In addition, at the beginning of this year, a branch for agricultural machinery opened in the province, to help the farmer and to reduce the production costs through the use of machinery.

"The Nab' al-Fawwar poultry farm: The cost to build and equip it was 32 million Syrian pounds. Its production capacity is 690,000 chickens. Its construction has been completed, and it will begin production the beginning of September of this year. "The al-Ruhiniyah fish farm cost 5.5 million Syrian pounds. Construction has been completed, and its production capacity is 60 tons of fish annually. Production will begin at the beginning of 1984."

7005

CSO: 4404/501

GANDHI ASKS PARTY MEMBERS TO HELP FIGHT OPPOSITION

Calcutta THE STATESMAN in English 5 Jul 83 p 1

[Text] NEW DELHI, July 4--Mrs Gandhi would like her party men to increasingly take over from her the task of fighting the Opposition challenge, particularly of the type posed by the Vijayawada and Delhi conclaves.

She expressed this wish at the meeting of the Congress (I) Central Parliamentary Board that met here on Saturday, as the Board was discussing the recently-held Opposition parties conference held in Delhi.

The general view the members took of the Delhi meeting was that it was a "flop", and that such conferences were not going to lead to Opposition unity.

Mrs Gandhi did not express here opinion on the subject one way or the other, apparently indicating that she did not dismiss them as lightly as the others.

She was then reported to have suggested that such Opposition moves should be met by the Congress (I) at the party level. She asked the party to take up the "challenge", for "I am not going to run around all the time doing this". Mrs Gandhi said that at election time also, she had to take all the burden on herself.

The CPB also discussed the Punjab situation and decided that the State Government should be given full support to meet the Akali challenge. There was no question of imposing President's rule in Punjab. The Centre much strengthen the hands of the Chief Minister, Mr Darbara Singh.

It was stated that the change in the Punjab PCC(I) presidentship had been made on the suggestion of Mr Darbara Singh, and that a new PCC(I) would be constituted under the newly-chosen president, Mr R. L. Bhatia, for which Mr Darbara Singh's suggestions would be taken into account.

The CPB wanted the party in Punjab to work as a "homogeneous" team because the Akalis had to be met politically. The CPB also adopted the line generally of backing up Chief Ministers of all Congress (I)-run States, as against the dissidents. It meant that Chief Ministers would not be changed just because dissidents were demanding it.

Presumably, this line would now hold good not only for Haryana, but for Bihar, Orissa, Rajasthan, and Madhya Pradesh. The Board also reviewed the post-election situation in Jammu and Kashmir. The Congress (I) would play its part in the Assembly as a healthy Opposition. The Board had before it the two reports submitted by Mr Buta Singh, Parliamentary Affairs Minister, and Mrs Rajendra Kumar Bajpai, AICC(I) general secretary, on not only the rigging at the poll and malpractices reportedly indulged in by the ruling party during the elections, but also on the conduct of Syed Mir Qasim, who is a member of the CPB. Mr Qasim was not present at the Board meeting.

However, it was thought prudent not to precipitate matters on the Mir Qasim issue for the moment.

CSO: 4600/1389

GANDHI GIVES FREE HAND TO OUST CONGRESS DISSIDENTS

Bombay THE TIMES OF INDIA in English 6 Jul 83 pp 1, 9

[Text]

NEW DELHI, July 5.

MRS. Indira Gandhi appears to be giving a relatively free hand to Congress (I) chief ministers to prune their ministries and get rid of recalcitrant elements so that they can lead more purposeful and cohesive teams.

Mr. Shiv Charan Mathur is the fourth chief minister in recent weeks to have been given the green signal to drop ministers. It all began with J. Jayannath in Bihar, who dropped 11 ministers. Then Mr. Arjun Singh in Madhya Pradesh and Mr. Bhajan Lal in Haryana axed a few colleagues. In Haryana, the protest resignations of six ministers were accepted after the chief minister had dropped two of his colleagues.

Party sources attach significance to Mrs. Gandhi's observation at the meeting of the Congress (I) parliamentary board on July 2 that she is not going to do all the running around all the time for her partymen.

They tend to take the view that the pattern that is emerging flows from Mrs. Gandhi's thinking that every partymen must feel responsible for the image of the party. In this scheme of things, dissidence does not have any role to play, especially when 1984 will be an election year, with the general election scheduled for December 1984-January 1985.

Once the chief ministers are allowed to have a choice in deciding who their ministerial colleagues will be, party sources say, it is reckoned that dissidents will not come flocking to Delhi. Moreover, this will give the chief ministers the power they need to keep the flock together. Of course, real power will continue to lie in New Delhi.

It is not only at the governmental level that Mrs. Gandhi expects her partymen to deliver the goods. A highly placed source said that she will watch the performance of chief ministers who have sought and who have been given the authority to reshuffle their cabinets. If even after all

this freedom, they continue to complain of dissidence and lack of co-operation from ministers, then she might be compelled to take an entirely different view and a different line of action.

IN ANDHRA PRADESH

At the organisational level also, Mrs. Gandhi would like to ensure that state party units and the government function harmoniously. In a troubled state like Punjab, she has replaced the PCC(I) president to strengthen the hands of the chief minister, Mr. Darbara Singh. Mr. Hansraj Sharma was last month replaced by Mr. R. L. Bhatia, MP.

In Andhra Pradesh, where the Telugu Desam holds sway, the Congress (I) leadership is looking for a capable leader to head the party there. "We are not going to impose anyone", was a significant remark from Dr. (Mrs.) Rajendra Kumari Bajpai, AICC(I) general secretary.

A process of "broad consultations" is on currently and the choice of the new PCC (I) president in Andhra Pradesh will be "by consensus". The Central ministers from Andhra Pradesh and the state leaders will be consulted on this issue, a rather sensitive one as Congress (I) leaders themselves and Mr. N. T. Rama Rao, chief minister, have complained of New Delhi trampling upon the "pride" of the people of the state by "imposing" leaders who were incompetent but sycophants.

"Are you looking for a leader who can counter 'NTR'?", Mrs. Bajpai was asked. "It is not a question of countering anyone but one of our party functioning being strengthened in that state," she said.

She declined to comment on the suggestion by Mr. G. Venkataswami, PCC (I) president, that all Central ministers from the state should quit and work to strengthen the party. "It is a personal opinion," she remarked. But there was no question of barring any Central minister from becoming the PCC (I) president. Mr.

Venkataswami has tendered his resignation.

ASEER'S REPLACEMENT

In Maharashtra, there is talk of replacing the PCC (I) president, Mr. S. M. I. Aseer, who also holds a ministerial post. Of course, the situation may be different if he decides to quit the ministerial berth and retain the party post.

Incidentally, the board meeting held on July 2 was "hurriedly summoned", according to Mrs. Baipai, as the names had to be finalised for the election from Tamil Nadu to the Rajya Sabha and the state legislative council.

Those who were present at the meeting chaired by the Congress (I) president, Mrs. Gandhi, were the working president, Mr. Kamalapati Tripathi, Mr. R. Venkataraman, Mr. P. V. Narasimha Rao, and two general secretaries. Most of the other members were out of station and only those who could be contacted here were asked to attend.

CSO: 4600/1390

GANDHI MEETS WITH INFRASTRUCTURAL OFFICIALS

New Delhi PATRIOT in English 9 Jul 83 p 1

[Text]

Prime Minister Indira Gandhi on Friday directed the crucial infrastructural departments to put in vigorous efforts to improve facilities essential for speedy industrial growth, reports UNI.

She laid particular emphasis on stepping up coal production and maintaining continuous supply of coal to the power sector.

Mrs Gandhi had convened a special meeting in the Capital of secretaries of six departments to review the progress achieved in strengthening and enlarging infrastructure facilities in the first quarter of the current financial year.

The meeting was attended by the secretaries of railways, power, shipping and transport, communications, coal and petroleum.

Mrs Gandhi called for providing power on a priority basis to the coalfields, especially those of the Bharat Coking Coal Limited and the Eastern Indian Coal fields Limited to give a fillip to coal production.

The Prime Minister was informed that as a result of earlier efforts the stock of coal at thermal power stations had increased considerably. The machinery of transporting coal to steel mills required to be strengthened.

The meeting decided to tighten

coal loadings to eliminate slackness in the movement of coal. Besides, steps would be taken immediately to remove bottlenecks in the movement of coal in coastal areas.

Mrs Gandhi wanted intensive research to be undertaken for improving the efficiency of stationary diesel engines used in agriculture or industry. She was informed that production of more efficient coal burners and fuel efficient kerosene stoves had been increased.

It was also decided that the Cabinet secretary and the secretary (co-ordination) will conduct an in-depth study on the performance of public sector undertakings.

Mrs Gandhi deprecated the tendency of ministries blaming each other for not achieving targets in the industrial sphere or in implementing socio-economic programmes.

When individual problems were brought to her notice, the Prime Minister stressed that these should be looked into.

An official spokesman said Mrs Gandhi will hold such meetings every quarter. She will also have similar meetings with secretaries of other departments to review the implementation of plan programmes.

CSO: 4600/1401

FINANCE MINISTER: INDIA TO BORROW FEWER SDR'S

Bombay THE TIMES OF INDIA in English 12 Jul 83 p 1

[Text] NEW DELHI, July 11--THE Union finance minister, Mr. Pranab Mukherjee, disclosed here today that India would be borrowing 300 million SDRs (special drawing rights) less from the International Monetary Fund (IMF) as the foreign exchange position had improved.

Addressing a luncheon meeting at the Press Club of India, the finance minister stated that though India was entitled to draw 1500 million SDRs from the IMF during 1983-84, it would actually draw only 1200 million SDRs. The remaining 300 million SDRs would be carried forward in 1984-85 when India would be entitled to draw a total of 11,000 million SDRs from the IMF

According to the arrangement agreed upon with the IMF, India's special drawing rights (SDR) provided for drawing 900 million in the first year (1981-82), 1,800 million in the second year (1982-83) and 2,300 million SDRs in the next 15 months.

Reserves Up

Mr. Mukherjee hinted that if the monsoon did not fail and if increased production trends were maintained, it would help achieve plan targets and thus facilitate the recovery of the Indian economy.

Asked if India would draw the remaining 1,100 million SDRs from the IMF, he said: "it is yet to be seen whether we go in for it or not."

Elaborating about the improvement in the foreign exchange position, Mr. Mukherjee said that Rs. 158 crores had been added to the reserve by May 31, 1983, when in the corresponding period of the previous year, there had been a decrease of Rs. 185 crores.

He also expressed the view that the improvement in the foreign exchange position could not be attributed to the IMF loan as this loan had been drawn in 1982 as well as in 1983.

Mr. Mukherjee asserted that the monsoon held the key to the Indian economy. He even described it good-humouredly as the "real finance minister" and expressed the hope that it would "smile" on him.

Replying to a question on Mr. Swaraj Paul's bid to take over DCM and Escorts, Mr. Mukherjee said that the government's policy was to allow non-resident Indians holdings up to five per cent.

"I do not want remote control," he said and also expressed himself against discriminating between Indian industries. Stating that it had been suggested to him that "even the best can be better," he quipped, "I do not want better than the best."

Overdraft Problem

Turning to what he described as the "chronic problem" of overdrafts by states, Mr. Mukherjee said that the situation had been controlled somewhat. As against a total deficit of Rs. 672 crores, four states were responsible for an amount of Rs. 450 crores. "So, most states are firmly in line now and it is essential to maintain this discipline," he observed.

On price rise, the finance minister said: "There is no room for complacency in this area and we have to be very careful." A major reason for price rise was the increase in the non-food credit which had gone up from 6.2 per cent in 1982 to 11.2 per cent in 1983.

He said he was asking the states to fix realistic prices wherever it administered rises. He also wanted states to improve their resource mobilisation and to firm up their base for mopping up resources.

Replying to a question on IMF loan repayment, Mr. Mukherjee said it would be difficult to say anything on the subject at this stage. But some idea could be had from debt servicing which was 14 to 16 per cent of export earnings in 1983-84. He expected it to be about the same in 1984-85.

CSO: 4600/1410

INDIA, USSR TO COOPERATE IN ENGINEERING PRODUCTION

New Delhi PATRIOT in English 10 Jul 83 pp 1, 7

[Article by Vinod Taksal]

[Text]

MOSCOW, Jul- 9 — India and the Soviet Union have agreed to extend the present production sharing cooperation to several new areas, and also launch joint work in research and development in engineering production.

Provisions for this would be made in the next protocol to be signed between the two countries. The decision, taken in principle, follows discussions Heavy Industry Ministry Secretary D V Kapur had at the annual meeting of the Indo-Soviet Joint Commission's working group on machine building here.

Mr Kapur, who has had separate meetings with Foreign Economic Relations Committee deputy chairman Litvinenko, Planning Commission first deputy chairman Inozemtsev and Deputy Foreign Trade Minister I T Grishin described the new arrangement as "highly potential".

He said as a result of larger areas of production sharing and cooperation in research and development in industrial sector, the trade turnover as well as exports between the two countries would grow.

This would particularly satisfy the Soviet Union since it is facing a huge trade deficit with India of about Rs 300 crores.

Mr Kapur said production cooperation in mining and metallurgy, particularly steel, had already started. Within the next three months, this would be expanded to other areas too.

Scientists from both countries engaged in industrial research and development would

also identify their areas of cooperation. As a result, the design base of Heavy Engineering Corporation, Ranchi, would be considerably expanded. Cooperation in R and D also envisaged involvement of various institutes.

India is likely to tap the vast Soviet television software as well as hardware resources, and thereby give an impetus to its growing TV medium.

Hinting this, Minister of State for Information and Broadcasting H. K. L. Bhagat told Indian newsmen here last night that he was looking for more cooperation with the Soviet Union in technical and production spheres to meet the requirements of Indian TV network.

He said since India has planned to open the second channel of TV and also extend the telecast time of the first, Mr Bhagat said the requirements of both hard and software would be tremendous.

After his meeting with the Soviet TV and Radio committee chairman Lapin yesterday, Mr Bhagat said the Soviet side had shown willingness to extend all possible cooperation.

The Minister yesterday also visited Tass offices and held talks with director-general Loy Losev.

The Soviet Union, he said, was quite enthusiastic about the new world information order, and has offered all cooperation for it as well as for the working of the nonaligned agencies pool.

Mr Bhagat disclosed that the Indo-Soviet production on Nehru would be completed soon. The film was in the last stages of completion, and both sides were keen to release it before the year-end.

ASSAM CHIEF MINISTER MEETS WITH PRESS

Calcutta THE SUNDAY STATESMAN in English 10 Jul 83 p 1

[Text] NEW DELHI, July 9--The Assam Chief Minister, Mr Hiteswar Saikia, today claimed there was "normalcy" in his State, though "there is a feeling of insecurity in three or four places". He told reporters that the shock of unprecedented violence was responsible for this feeling of insecurity among some people; but none of those who had returned home had been harassed.

He admitted that special laws, like the one allowing for the help of the Army to maintain law and order, would be in force to ensure that disturbances were not caused.

Mr Saikia said the working group of Central Government officials had proposed the erection of a 269-km long wall along the land and riverine border with Bangladesh to check the infiltration of foreign nationals. This proposal was yet to be cleared by the Committee of Secretaries and the Union Cabinet. The clearance might take a month, he said.

Regards the setting up of tribunals, he said that initially the State Government proposed to have 23 foreigners' tribunals. Asked if all those whose names figured in the voting list would be considered Indians, the Chief Minister said; "I consider them to be Indians; let others prove they are not"

He said four or five people could sign a petition before the tribunal and question the nationality of anyone "including myself". He, however, admitted that the guidelines for the tribunals were yet to be finalized.

Mr Saikia, who has met some of the Central Ministers, said he had asked for an increase in royalty for crude oil, establishment of another refinery and the setting up of two fertilizer plants, one based on naphtha and the other on gas.

He said that while Assam was second to West Bengal in producing jute, the State was not represented on the Jute Development Corporation. Neither was Assam represented the Tea Board. He had been assured that the State would get representation on both the bodies.

Mr Saikia denied that the Government was trying to impose Assamese. Some confusion had been caused by an old circular issued by the Board of Secondary

Education, which has been asked to clarify the position. The State, like other States, would follow the three language formula.

The Chief Minister said that for the past three months there had not been a single instance when the State Government had requisitioned the Army, adds PTI. He said an indication of the situation could be gauged from the fact that schools, colleges and commercial establishments were open and examinations for high school and degree classes had been completed.

Mr Saikia, who was in the capital after a lapse of three months, said he had met the Prime Minister, the Home Minister and some other Central Ministers' to seek financial assistance for Assam's economic reconstruction.

CSO: 4600/1404

ASSAM OFFICIAL SAYS BOUNDARY WALL TO BE BUILT

New Delhi PATRIOT in English 9 Jul 83 p 4

[Text] The 270-Kilometre-long land and ravine Indo-Bangladesh border will be sealed by constructing a boundary wall to prevent the entry of infiltrators into India from Bangladesh.

The construction of the boundary wall on the 186 kms of land and 84 kms of ravine border on the Bangladesh territory in Golpara and Kachar districts of Assam is expected to start this year.

Giving this information to PTI in an interview here, Assam Chief Minister Hiteswar Saikia said the State Government was waiting for the clearance of the Central Government for starting the construction of the boundary wall, which was estimated to cost about Rs 57 crores.

He said though infiltration from Bangladesh had almost stopped the construction of the proposed boundary wall on the Indo-Bangladesh border would end, once for all, the problem of infiltration.

Mr Saikia said a committee of the senior officials of the Central Government had already completed its report on the details of the construction of the proposed boundary wall.

The boundary wall, he said, was being constructed under an agreement between the Centre and the Assam agitation leaders during the tripartite talks. This was the one point on which both the parties had agreed.

In reply to a question, he said Indo-Bangladesh border was well protected and all the leakage points had been successfully sealed by check posts at every 1.5 km distance.

He agreed that large scale killings in Assam had also served as a deterrent to illegal entrants from Bangladesh to India.

At the same time, Mr Saikia said, the Assam Government was very keen to solve the foreign nationals problem which had been the cause of so much holocaust in the State.

Mr Saikia said he was pressing the Centre for making available the requisite number of district-rank judges to man the tribunals to be constituted for identification and detection of foreign nationals.

The State Government was facing acute shortage of such judges and it was seeking help of the Centre to get non-Assamese judges for at least 23 tribunals to start the work. More tribunals would be set up as and when the judges were made available.

Mr Saikia said the Centre had already asked the high courts to make available as many judges as possible.

Giving his assessment of the political situation, the Chief Minister said the State was in peace today and normalcy had almost been restored with all schools and colleges functioning normally for the first time after four years of "turmoil, anarchy and disorder".

He said school, pregraduate and graduate level examinations had already been completed without any untoward incident. Several lakh boys and girls appeared in these examinations while post-graduate examinations were already on way. All these examinations had been held in perfect peaceful atmosphere.

He said the people had started recognising the legitimacy of his Government and calls for bandh by agitation leaders were being ignored by the masses. Not one shop was closed and life was totally peaceful on these occasions.

He showed photographs of large crowds that had gathered on the occasion of the inauguration of the six new districts despite the calls for "bandh" and "people's" curfew by the agitation leaders.

Mr Saikia said he had reorganised the police administration and divided the State into four zones to restore law and order and for relief and rehabilitation of about 3.50 lakh displaced persons.

He said the agitation was not as strong as it was in the past and posed no threat to his Government.

The Muslim and Khasi youths who were at one time in the vanguard of the Assam movement were getting frustrated and leaving the agitation to seek their careers.

About the communal tension, he said there was a sense of insecurity in some areas but on the whole people were mixing freely. The refugees had gone to their villages and started cultivating their lands as before.

CSO: 4600/1401

ANALYST TFLLS DETAILS OF ARMS ARRANGEMENT WITH USSR

Madras THE HINDU in English 6 Jul 83 p 1

[Article by G. K. Reddy]

[Text]

NEW DELHI, July 5.

The latest arms deal with the Soviet Union, which is only the extension of an ongoing arrangement, runs to only \$1 billion (about Rs. 100 crores) spread over a few years, more or less a follow up of the \$1.5 billion accord in 1980.

It is, therefore, nowhere near the figure of \$5 billions quoted in American and European press reports about the magnitude of the transaction. And what is important is that the Soviet terms are much more liberal than generally believed in the West.

Consequently, India is not required to sign any new agreement to cover the latest transaction, since the understanding reached for the acquisition of further equipment, along with assistance for expanding the indigenous manufacturing capacity to switch-over to more advanced weapon systems, is considered to be only a continuation of an existing arms supply relationship with the Soviet Union, despite some degree of expansion involved in it.

Liberal terms

The latest terms offered by the Soviet Union for deferred payment in rupees are in line with the previous credits repayable in 12 to 17 years with a three to five year grace period and a nominal interest of 2.5 per cent. The Western powers have been scouting around for clues to find out whether Moscow has sought to stiffen its terms by reducing the repayment period or stepping up the interest rate.

Apart from the sale of some new weaponry for the Army, Navy and Air Force, the new arrangement envisages the establishment of manufacturing capacity along with the transfer of advance technology for making many categories of highly sophisticated arms. At the same time it leaves India with enough flexibility for availing of the technical advances made by other countries in the West, without relying entirely on Soviet collaboration.

The Soviet Union has agreed to make available the new advances made in the design, mobility and fire-power of its T-72 tanks and other combat vehicles by the time the tank factory at Avadi has been expanded to manufacture them. The same sort of under-

standing extends to the MIG series for incorporating the latest innovations when India switches to the 27s, 29s and even 31s of the series in due course.

The commitment is even more significant in the case of the naval vessels, since each one in the same series is to be equipped with more sophisticated electronics and missiles as and when they are built. The submarines, too, will be of the latest design for the attack role for which they are being acquired to give the Indian Navy a greater punch in its offensive-defensive operations.

P.M. briefed

The Defence Minister, Mr. R. Venkataraman, who has returned to Delhi after stopping over in Europe for a few days on a private visit, has acquainted the Prime Minister, Mrs. Indira Gandhi, with the outcome of his Moscow mission. A fuller report will be given to the Political Affairs Committee of the Cabinet for a formal endorsement of the commitments made by him.

A rather perplexing feature of his Soviet visit has been that the military experts who accompanied him have returned without seeing the prototype of the super secret MIG that has been designed to surpass the F-16 which is rated to be the most versatile fighter-bomber aircraft at present. The Soviet Union does not generally display prototypes or disclose the performance data of aircraft under development, until they have gone into production.

Special exception

The bare details were disclosed to India a few months ago making a very special exception in response to repeated queries whether the Soviet Union was developing an aircraft to match the F-16 and exceed its performance in the later versions. It was done as part of a commitment to transfer advanced technology and help India manufacture the very latest weapon systems.

And it is not therefore surprising at all that the Soviet Union has not yet decided if this wonder aircraft in the MIG series should be christened as '29' or '31' depending on its high rating in its assigned role during the 80s and 90s.

ANGLO-FRENCH COMPETITION TO SELL HELICOPTERS NOTED

Bombay THE TIMES OF INDIA in English 6 Jul 83 p 9

[Article by K. N. Malik]

[Text]

LONDON, July 5.

THE Anglo-French competition for the \$600 million surveillance, anti-ship and anti-submarine warfare helicopter for India has been intensified during the past few weeks.

Both European countries feel that if the order is not clinched immediately, the Soviets, the main supplier of India's defence equipment, might throw a spanner in their efforts by making a counter-offer for comparable equipment at a lower price and easier terms of payment.

The British, who had nearly netted the order for its westland improved Sea Link helicopters a few months ago but for a premature leakage, are still confident of winning the order. The British defence sources in fact say that the deal has been okayed, though for a lesser number of helicopters than the originally stipulated 12.

According to these sources, a defence team is to visit Britain soon to discuss detailed arrangements.

The French, however, do not accept the defeat and are making last-minute efforts to persuade the Indians to opt for French Aerospatiale Super Puma fitted with anti-submarine torpedoes, anti-ship missiles, sonar and sonobuoys which, according to them, is most updated and offers the most modern technology.

The Super Pumas belong to the late seventies generation or even early eighties while the Sea Link would give India a familiar but outdated technology of the fifties. Opting for Super Pumas would mean a quantum deal for India.

The French are also offering firm commitment for an uninterrupted delivery schedule for helicopters and spareparts even during a war. They have also lowered the price tag, though it still remains about 10 per

cent higher than the British prices. In fact it was mainly due to the French offer and the counter by competitors that made India postpone the order. There were of course other reasons such as the worsening foreign exchange position which had compelled India to request stretching payments even on current commitments and expected leverage to get better terms in case of delay in orders.

The somewhat relaxed situation in the sub-continent and India's improved relations with Pakistan, China and the U.S. had also made it possible for Delhi to wait for a better deal.

Both the French and British defence sources believe that the Soviets may have offered a comparable helicopter during the Indian defence minister's visit to Moscow late last month. Both, therefore, feel that renewed efforts should be made to get the order.

The intensification of efforts was visible in increased level of visits by some former defence officials and retired civil servants.

A number of non-resident Indians are involved in the efforts to supply military equipment. At least one influential non-resident, who is working behind the scenes with another known supplier of arms to India, is one linked with aviation supplies. They are trying to sell other military equipment not only from Europe but also from the U.S.

The recent thawing of relations between the U.S. and India has given a fillip to their efforts. They now hope to sell equipment from across the Atlantic or American equipment produced under licence in Europe.

The British optimism for the updated Sea Link orders is based on two main factors. First, the Indian Navy, which already has some Sea Links, is supporting the British offer to the hilt. The navy, of all the services in India, is still immersed in British traditions and outlook.

RAJASTHAN CHIEF MINISTER DROPS FIVE MINISTERS

Calcutta THE STATESMAN in English 5 Jul 83 p 1

[Text] JAIPUR, July 4--In a dramatic reshuffle, one Cabinet Minister, two Ministers of State and a Deputy Minister have been removed by the Chief Minister of Rajasthan, Mr Shiv Charan Mathur, from his Cabinet this evening, reports PTI.

While Mr Hanuman Prabhakar, Minister for Cooperation and Relief, Mr Surender Vyas, Minister of State for Public Relations and Higher Education, and Mr Govind Amaliya, Deputy Minister for excise, submitted their resignations on being asked by the Chief Minister to do so, Mr Narendra Singh Bhati, Minister of State for Jails, had been "dropped" on his refusal to submit his resignation.

All the resignations were accepted by the Governor, Mr O. P. Mehra, tonight.

According to Mr Prabhakar, the Chief Minister sent the Congress (I) Chief Whip and Health Minister, Mr Khet Singh Rathore to ask four Ministers to resign, the fourth being Mr Narendra Singh Bhatti, Minister of State for Jails.

Soon after handing over his resignation letter to the Chief Minister, Mr Prabhakar told reporters that no reason was, however, given to him for seeking his resignation.

Mr Prabhakar, who was No. 2 in the Pahadia Ministry, was reportedly not getting along well with the Chief Minister for some time. However, he refused to make any comment pending acceptance of his resignation by the Governor.

According to political observers, the Chief Minister apparently got the green signal from the party high command during his visit to Delhi yesterday to remove some of his cabinet colleagues, who it was felt, were indulging in the dissident activities.

A few more Ministers might also be dropped, political observers feel.

Mr Shiv Charan Mathur has ordered a high-level probe into an alleged scandal involving a Cabinet Minister, a chairman of an autonomous board, a former Congress (I) member of Parliament, a Congress (I) legislator and many senior State Government officials.

Mr Mathur told reporters here today that he had directed the Superintendent of Police, Jaipur, to personally investigate the scandal "No one, however highly placed, will be spared", he said.

Mr Prabhakar said he had no regrets in submitting his resignation. He went to the Chief Minister's residence in his official car but returned to his residence on foot, leaving behind the car after resigning.

Both Mr Prabhakar and Mr Amalia belong to the Udaipur division of the State, which the Chief Minister, himself, represents.

CSO: 4600/1389

FOREIGN AFFAIRS PANEL MEETS WITH RAO

New Delhi PATRIOT in English 8 Jul 83 p 1

[Text] India should have lodged a formal complaint with the United States over the statement of Ambassador Harry Barnes comparing 'Khalistan' extremism with the freedom struggle in Puerto Rico, members of Parliament attached to the Ministry of Foreign Affairs told Mr P V Narasimha Rao on Thursday.

The members did not agree with Mr Rao that Ambassador Barnes' 'expression of distress' could be construed to be either a retraction or an apology. The popular indignation that had been roused by Mr Barnes' statement was proof as to how seriously the public had taken the matter, members said.

In fact, it was pointed out that all political parties and senior leaders had condemned the ambassador's statement as also the US government's nurturing of the 'Khalistan' movement and its leaders. One member quoted Congress-I general secretary C M Stephen's statement over Doordarshan in which he had said that Mr Barnes had already ceased to be a persona grata with the people of India.

The consultative committee also expressed its concern over the activities of the CIA and similar organisations in attempting to destabilise the country. Mr. Barnes' statement and the 'Khalistani' activity was part of the process, they said. A member said the Government ought not to take such matters lightly specially as this spoke of breaches in security.

Mr Narasimha Rao in his summarisation of the world situation, expressed India's deep anxiety over the situation in West Asia, which he said was getting out of hand. On the Iran-Iraq war, Prime Minister Indira Gandhi has herself been in touch with the top leaders of the two warring countries and had pressed on them the futility of the continuing war.

On the flash-point situation in Lebanon, Mr Rao briefed members on the visit to the region of External Affairs Ministry Secretary Romesh Bhandari who, as Prime Minister's special representative will meet the top leaders of Syria and Libya, as also PLO chairman Yasser Arafat. The matter had also been discussed during the recent visit of India of US Secretary of State George Shultz.

India will formulate its approach to the worsening situation after the return of Mr Bhandari, Mr Rao added.

On Pakistan, the Minister said the joint commission meeting was a good exercise. Senior officials of the two countries would carry on the discussion on the Pakistani 'no-war pact' proposal and the Indian offer for a 'treaty of peace, friendship and cooperation', Mr Rao said.

On Sino-Indian relations, the Minister said the next meeting of officials of the two countries was to be held in Delhi and the Chinese had to inform when they would be able to come. (Such meetings in the past have held at roughly six-months intervals and the last was held in January this year). There have been discussions on the border issue. India is also watching the talks proposed to be held soon between the USSR and China.

Referring to ties with US, Mr Rao said there were many areas of differences between the two countries in their appreciation of world situation. India had told the US that it and the NAM did not agree with the explanation they had put forward for their action in Central America. India believes there has been a deterioration in the Central American situation since the NAM summit.

On Tarapur, the Minister said the matter had been satisfactorily resolved.

On the call by Mrs Indira Gandhi for an international conference on money and finance for development with universal participation, the External Affairs Minister said the reactions were at a preliminary stage. The parameters of such a conference had yet to be decided. Some interest had been evinced, but the outcome remained undecided.

Mr Rao pointed out that the phrase 'universal participation' meant the participation of the socialist countries also. But whether they would attend would depend on the final shape of the conference. But, he said, as of now, India had no reason to believe that the socialist countries would not come.

On issues of North-South and South-South dialogue, the Minister detailed the outcome of the recent meeting of the UNCTAD VI. The global scheme of trade preferences among developing countries will now be launched with detailed negotiations. It had also been decided to intensify cooperation among the state trading corporations of the developing countries.

Mr Rao said the developing countries proposed to set up their own multinational corporations for development to act as countervailing force to the transnational corporations (TNCs) operating out of the rich nations.

On South Asian regional cooperation, Mr Rao said the Foreign Ministers of seven South Asian countries would meet in New Delhi on 1 and 2 August to discuss the matter in detail.

CSO: 4600/1396

CASE FOR DEVELOPMENT OF LIGHT COMBAT AIRCRAFT

Madras THE HINDU in English 8 Jul 83 p 9

[Text] BANGALORE, July 7--The Director of the National Aeronautical Laboratory, Dr. S. R. Valluri, today made out a strong case for the country to go ahead with the design and development of the advanced technology light combat aircraft.

He hoped that the Government would have the "political will" to take a decision in this regard. It was easy for the Government to take the decision as for the first time the Indian Air Force, the aircraft industry (Hindustan Aeronautics), research and development organisations like NAL and academic institutions were thinking alike in favour of the country going in for the design, development and production of an indigenous aircraft.

Dr. Valluri was speaking to pressmen after the laboratory commemorated the significant event of completion of 10,000 blowdowns in its 1.2m transonic wind tunnel today.

(A blowdown is a short-duration uniform high velocity flow of compressed air to test forces and moments on aerospace vehicles. The data generated by the test are valuable to decide the aerodynamic configuration of the vehicle).

Dr. Valluri warned that if the country missed the opportunity now, the next opportunity might come only around 2000 AD. Thereafter the country would never be able to make up the leeway in technology. A big country like India could not go on importing technology again and again.

Dr. Valluri noted that since 1956, when the country produced the HF-24 aircraft, there was no major indigenous design and development programme in the aircraft industry. The light combat aircraft programme which had to be approved by the Union Government would cost Rs. 500 crores over a 10-year period to produce the prototype.

He clarified that the programme would be a completely Indian programme and would not be production under licence of a foreign aircraft as had been made out by some newspapers. While initially the most modern technology would be inducted from elsewhere in the world the responsibility for designing and developing the aircraft would be India's.

There was no such aircraft (as thought of by India) anywhere in the world, he said. At present the American F-16 was the most modern light combat aircraft. The Russians were secretive about their version of it. He pointed out that no two aircraft could be alike.

Methods to reduce weight; The planned aircraft could not be as light as the Air Force wanted it. Dr. Valluri said and added that it could be made light by means like having "carbon fibre composite" wings which would reduce the weight of the wings by 20 per cent.

Countries like Britain, France, Sweden and West Germany were working on carbon fibre technology. Some work was going on in the Soviet Union also. India could take assistance from any one of those countries.

Further a peroven engine had to be obtained for the initial development of the aircraft. Institutions like the Aeronautical Development Establishment, the Gas Turbine Research Establishment NAL and academic institutions would join HAL in the development of the engine. The country was capable of developing advanced technology equipment.

Dr. Valluri said the importance of having a facility like the wind tunnel could be gauged from the fact that to use it for just 30 seconds would cost the country Rs. 6,000.

Speaking at the commemoration function, he said the wind tunnel had helped the country in saving foreign exchange. Moreover military secrecy could not be guarded if tests were carried out in wind tunnels in foreign countries. Nal's wind tunnel was one of the two in this part of the world. The other one was in Japan.

Dr. Valluri pointed out that NAL would be observing its silver jubilee in 1984. The nation could be proud of its achievements.

The Chairman of Hindustan Aeronautics, Air Marshal L. M. Katre, who was the chief guest, said that those connected with the design and development of aircraft should be farsighted. They should also consider the utility of the product and the needs of the user. He congratulated NAL on its achievements.

Dr. M. A. Ramaswamy, in his welcome speech, said that it was in the late fifties that the Council of Scientific and Industrial Research (CSIR) decided that a transonic and supersonic wind tunnel should be established in NAL. It was commissioned in 1967 and had kept abreast of advances in technology. The improvements carried out were introduction of high response instrumentation, computer-based data acquisition and processing systems special test techniques and test rigs.

Dr. Ramaswamy said that in recognition of the contributions made by NAL's wind tunnel to the design and development effort of the country's aerospace vehicle programme, the 1.2m tunnel complex had been renamed "National Trisonic Aerodynamic Facility."

Dr. V. Sridharamurthi proposed a vote of thanks.

BANGLADESH 'LIBERATION' LEADER MEETS PRESS

Delhi THE STATESMAN in English 8 Jul 83 p 7

[Text]

NEW DELHI, Thursday.—A demand that Bangladesh cede a territory equivalent to 30% of its land area where the Hindu and Buddhist refugees "who have been driven out from there in the last 35 years" could be settled was made by Mr Subroto Chatterjee, General Secretary of the Bangla Liberation Organization (BLO), at a Press conference here today.

Explaining the rationale of a "homeland" for over 10 million Hindu and Buddhist refugees who have come to India over the years, Mr Chatterjee said "this demand is far more just and urgent than the demand for a homeland for Palestinian refugees from Israel, and the struggle the PLO is carrying on for it."

He said the number of Palestinian refugees was just about one million. There were dozens of rich Arab-Islamic countries that were looking after their interest. But over 10 million Hindu and Buddhist refugees from Bangladesh have no other place to go except India. "They were opposed to the partition of India. They were thrown to the mercy of communal fanatics of Pakistan and of Bangladesh against their will. They have a moral and legal claim on the sympathy and support of the people and the Government of India for this reasonable and feasible demand for a homeland."

He said India had been extending full support to the demand of Palestinian refugees for a homeland. The PLO had been even given diplomatic representation in New Delhi. In the circumstances Mr Chatterjee appealed to the Government of India to extend its support to the demand for a homeland for the Hindu-Buddhist re-

fugees from East Pakistan/Bangladesh.

He pointed out that while more than 10 million people had already been "driven out as refugees" from East Pakistan/Bangladesh, about 15 million who still live there had been "deprived of all human rights", and they were "faced with the choice between conversion to Islam or death or expulsion from their hearth and homes". "Therefore, the issue of homeland, in fact, concerns about 50 million non-Muslims including Hindus, Buddhists and Christians who have a legitimate claim over 30% "territory of Bangladesh", Mr Chatterjee said. He alleged that a "genocide of the Chakma triaols who are Budchists inhabiting in the Chittagong Hill tract is going on".

Answering questions, Mr Chatterjee said what the BLO had in mind when asking for a homeland for refugees from East Pakistan/Bangladesh was an area of some 20,000 square miles covering districts like Khulna, Jessore and Chittagong hill district which would be an independent country.

He said that a memorandum had already been sent to the Government of India in this connexion but the Government was not "sympathetic" to the demand. He said the Bangla Liberation Organization is an "offshoot" of the Nikhil Banga Nagarik Sangh, which has been working for more than 30 years.

Mr Balraj Madhok, President of the Bharatiya Jana Sangh, who also addressed the Press conference, said that during the last non-alignment conference in Delhi, a memorandum in this connexion had been sent to various embassies of countries attending the conference.

COMMISSION DENIES PARTISANSHIP IN KASHMIR POLL

Madras THE HINDU in English 6 Jul 83 p 1

[Text]

NEW DELHI, July 5.

The Election Commission today refuted the charge of partisanship in the conduct of the recent Assembly poll in Jammu and Kashmir, levelled by the Opposition parties at the instance of the State Chief Minister, Dr. Farooq Abdullah.

The Commission's Secretary, Mr. R. P. Bhalla, cited the prior consultations with the State Government's representatives to prove that they were accommodated on substantive issues. They wanted the election to be completed before Ramzan, the month of fasting for the Muslims, which began on June 13. The poll was conducted well before that on June 5.

Elaborate arrangements: Their plea for fixing it on May 24 and 25 was not accepted because the Commission wanted to give more time to political parties and candidates for electioneering. He said the State Government's objection to a one-day poll on the plea that simultaneous arrangements in Leh and Kargil would not be possible, was met by elaborate arrangements for the despatch of election material and personnel to those areas by helicopter.

According to him, the charge that only 13 battalions of the Central forces were sent against the promise of a higher number was not

correct. In actual practice, 23 battalions were despatched, he said.

A press release of the Commission also denied the allegation of partisanship based on cases of adjourned poll. "The law relating to adjournment or repoll is contained in Sections 67 and 68 of the Representation of the People Act and these provisions were fully complied with by the Commission. Even in other States where elections were held recently, the Commission invariably and meticulously followed these provisions," it said.

Poll adjournment: According to a press release, the facts are as follows: "The Commission ordered repoll at 17 polling stations and recommended poll at one station, included in 10 Assembly constituencies, on the basis of reports from the returning officers concerned, that the poll was adjourned due to violence or booth capturing.

"At three polling stations of the Badgam Assembly constituency, a repoll was ordered where official ballot papers had been recovered outside the polling booths and presented personally before the Commission by the complainants. The Commission sent its own observer from the headquarters in view of the seriousness of the charge and, on his report, the repoll was ordered."

CSO: 4600/1391

OFFICIAL REVIEWS TRADE WITH SOUTH ASIAN COUNTRIES

Calcutta THE STATESMAN in English 7 Jul 83 p 9

[Text] NEW DELHI, July 6--Mrs Ram Dulari Sinha, Minister of State for Commerce, today directed the State Trading Corporation to take steps to ensure supply of sugar, tea and rice to Iran, negotiations for which are going on.

The direction was given at a meeting convened by the Minister of State to review India's trade with the countries of the South Asian region. The meeting was part of a Commerce Ministry exercise to improve India's trade relations with various countries.

Mrs Sinha said that India's endeavours should focus on building up sound and stable trading links with these countries. Efforts must be aimed at increasing trade in both directions.

She noted that even without taking into account petroleum purchases from Iran, there has been an increase in imports from these countries since 1977-78. The main imports, besides oil from Iran, were fresh and dried fruits from Afghanistan, cloves from Sri Lanka, newsprint and leather from Bangladesh, rock salt from Pakistan and jute and other agricultural items from Nepal. The important exports were engineering items, chemicals, tea and leather.

At today's meeting, which was attended by STC officials, Mrs Sinha made a detailed countrywise review of the trade prospects and problems and issued directive for follow-up in specific areas in consultation with Indian diplomatic missions in these countries.

The countries in South Asia are Afghanistan, Bangladesh, Bhutan, Iran, Nepal, Pakistan and Sri Lanka, all of which are in India's vicinity. In view of this close proximity, these countries are India's natural trading partners.

The volume of trade with this region has increased from Rs 965.44 crores in 1977-78 to Rs 1,881.31 crores in 1981-82. Although India's exports to these countries during this period increased from Rs 353.40 crores to Rs 365.47 crores, the adverse trade balance with the region went up from Rs 258.64 crores to Rs 1148.37 crores. This is largely on account of oil imports from Iran.

WEST ASIA A CHALLENGE TO NONALIGNED LEADERSHIP

Madras THE HINDU in English 12 Jul 83 p 11

[Article by G. K. Reddy]

[Text] NEW DELHI, July 11--The Secretary in the External Affairs Ministry, Mr. Romesh Bhandari, a specialist on West Asia, returned today from his delicate diplomatic mission to Damascus, Tripoli and Tunis with no new assurances of any accord among the Arab countries on what collective steps they should take to extricate Lebanon from the Israeli tentacles.

But he is being sent to Kuwait, Riyadh and Amman next week to keep up India's mediatory efforts to help the Arabs resolve their differences, before they could jointly counter the insidious Israeli attempts to divide them by exploiting their bickerings over Lebanon.

As chairman of the non-aligned movement, India feels that it has the responsibility to initiate the necessary moves for restoring Arab unity, or at least prevent further dissensions, in terms of the summit decision setting up an eight-member committee under its leadership to strive for an honourable settlement of the Palestine problem. But it is still groping in the dark not knowing how to proceed with this difficult task in the face of the Israeli obduracy and the Arab squabbles.

Exploratory mission: The result is that Mr. Bhandari was sent on an exploratory mission with no Indian ideas as such on what the Arab States should do in this situation, other than appealing to some of them to desist from dividing the PLO by taking sides in its internal conflicts. The total Indian identification with Mr. Yasser Arafat's leadership of the PLO has diminished its influence with countries like Syria and Libya which have been backing the rival factions, without enhancing its leverage with the moderate Arab States like Saudi Arabia, Jordan and even Egypt which are opposed to their extremism.

After his talks in Damascus with the Syrian President, Mr. Hafez Assad and his Foreign Minister, Mr. Abdel Halim Khaddam, the Indian emissary flew to Tripoli to meet Col. Qadhafi, if possible. But since no one of any importance in the Libyan hierarchy was available, he proceeded to Tunis to see Mr. Arafat and the Secretary-General of the Arab League.

Meanwhile, the Libyan Government sent a special plane to Tunis to fetch him to Tripoli for a meeting with Staff Major Abdul Jalloud, who ranks next to Col. Qadhafi in Libya, which has been openly backing the anti-Arafat group in the PLO and actively campaigning against the Syrian withdrawal from the Bekaa Valley until Israel unilaterally pulls out its troops from Lebanon.

Arafat's visit to Moscow: The policy-makers in Delhi do not know what to do in this complex situation, except keep up their well-meaning efforts to promote Arab unity and uphold the Palestinian cause whatever the bleak prospects for it. The impending visit of Mr. Arafat to Moscow to press for Soviet assistance will add another disconcerting dimension to the Lebanese tragedy with the U.S. already backing the Israeli attempt to transform this little country into a virtual protectorate under the guise of bringing about the withdrawal of all foreign forces.

The inability to make any headway in ending the Iraq-Iran war, coupled with the continuing Arab dissensions over Lebanon, is providing enough propaganda material to the pro-Pakistan elements in the Gulf area to belittle India's role as NAM chairman. There are also reports of renewed moves by Saudi Arabia and Pakistan for closer defence links as part of regional security arrangements.

The inter-action of all these developments in West Asia pose a challenge not only to India's NAM chairmanship but also its foreign policy pursuits in this sensitive region. In watching the West Asian situation with "care and concern" as an official spokesman put it, India is taking its own time for making up its mind on what this country should do to preserve the right balance between its regional responsibilities and national interests.

CSO: 4600/1411

DELHI, BELGRADE, CAIRO EXTEND COOPERATION PACT

New Delhi PATRIOT in English 9 Jul 83 p 4

[Text] India, Yugoslavia and Egypt have extended their tripartite accord on enlarging economic cooperation for another five years till 31 March, 1988, reports UNI.

The agreement, reached during the UNCTAD VI at Belgrade recently, provides for tariff preferences on exchange of goods among the three countries.

The tariff concession on goods manufactured in any of the three countries has been extended to 22 more commodities. The preference will now come under the 'most favoured nation' rate and bring under its fold non-traditional items also.

The three countries have agreed to intensify negotiations in all fields listed in the economic cooperation agreement for increased trade on a relatively balanced basis.

The three sides also underscored the need to promote joint industrial ventures in their own and in third countries and improve financial mechanisms for increasing mutual trade.

India's exports to Egypt comprises meat and meat preparations, fruits and vegetables, sugar, tea, spices, jute bags, chemicals, iron and steel and machinery. It imports urea and aluminium from that country.

On the other hand, India's exports to Yugoslavia was worth Rs 32.6 crores in 1982. Imports from that country totalled Rs 30 crores.

CSO: 4600/1401

NEW EFFORTS FOR PEACE TALKS REPORTED IN MIZORAM

Calcutta THE STATESMAN in English 9 Jul 83 p 7

[Text]

AGARTALA, July 7.—An uninterrupted lull in the MNF activities continues in Mizoram in the wake of an effort by Church leaders as well as the political parties to persuade the Centre for the resumption of peace talks. The Chief Minister, Mr. Sailo, said in Aizawl recently, "it was most disappointing that the peace dialogue on which the people of Mizoram had pinned so much hope had been called off on January 20 last year without any tangible results".

He said his Government had confirmed reports that some Opposition parties were now trying to terrorize people by issuing fresh "quit Mizoram notices" and indulging in extortions in the name of the MNF. Mr. Sailo said however that he believed that both physical and psychological impact of the MNF over the people in Mizoram was on the wane "as no insurgency can sustain without popular support". He also blamed the Mizoram Congress(I) for being in collusion with the underground leaders of the MNF in interest of their "political existence".

The Congress (I) vice-president, Mr. Vaivenza, and its general secretary Mr. C. L. Ruala, MLA made it clear that it was the MPCC(I) which had impressed upon the leaders of the churches to initiate

fresh moves for the resumption of peace talks. Accordingly, they said, in a joint memorandum submitted to the Prime Minister on May 31, the political parties including the ruling Peoples Conference, the Mizoram Congress(I), The Mizo Union and the Mizo Convention had declared their united stand in urging the Union Government and the MNF to enter into fresh negotiations and dialogue to arrive at a peaceful settlement of political deadlock in Mizoram.

Sources in Aizawl however, believed that after receiving a tip-off from the MNF leader, Mr. Laldenga, to create an atmosphere conducive for fresh peace talks, an influential section of the church leadership first initiated the move for resumption of dialogue. These sources are also of the view that the Centre may soon announce its decision in regard to resumption of talks which may be strictly within the frame work of the Indian Constitution and that the Centre may not agree this time to suspend operations by the armed forces during the talks to give an upper hand to the MNF activities like in the previous occasion.

The sources also presume that it may be a significant MNF stand to accept the precondition this time without much hesitation before resuming talks afresh.

CSO: 4600/1398

INVESTIGATION OF ELEMENTS BEHIND HIJACKING

London AL-DUSTUR in Arabic No 295, 18 Jul 83 pp 29-31

[Article by al-Salami al-Husni: "Franco-Iranian Relations Deteriorate Further as a Result of the Way the Hijacking Incident Was Handled by the French"]

[Text] The efforts made by both the Iranians and the French to restore relations between the two countries have apparently ended in a secret war filled with exchanges of accusations and deterrent actions. This outcome, which events have almost turned into a tragedy, was intensified by the hijacking of an Iranian plane flying between Shiraz and Tehran and its diversion to Paris, resulting once again in a rise in the temperature of the enmity between Paris and Tehran so that Rafsanjani stated at the time when the plane was landing at the Paris airport that "the hijacking operation appears to be a play directed by France against Iran." He leveled charges and epithets against the nations of the world, especially the Arab Gulf states and specifically Kuwait, claiming they were plotting against "the Iranian revolution." From the moment the plane landed at the Paris airport one question occupied the minds of the newsmen who gathered before the French authorities because the hijackers were eager to tell the press quickly what happened. The question was: Who is behind the hijacking? What are the real goals of the operation? Is a "violent" reaction of the Iranian regime intended to apply pressure to France in order to influence its relations with Iraq? Is it a trap set by Mas'ud Rajavi? Is it a propaganda ploy to renew interest in Rajavi and Bani Sadr? Or is it no more than a transient incident engineered by a group of people impelled by repression and terror in Iran to resort to desperate and heedless actions?

We can find the answers to some of these questions by considering the sequence of developments in the hijacking of the Iranian plane and the secret contacts made between the parties concerned in connection with the incident. At 7:00 am on Wednesday 6 July, an unidentified plane entered French Air space and when it was found to be an Iranian civilian plane coming from Kuwait and controlled by a suicidal group that hijacked it, the French authorities asked it to head for some other place. However, the plane continued to fly to Orly Airport in Paris where it landed about 7:45 am. It remained on the ground until 9:30 without the French taking any effective action because the French agencies and especially the higher authorities did not have precise information at a time when most of the French news media received an indication "from an unknown party" that the hijacked Iranian plane which took off from the Kuwait airport

would land at the Paris airport Wednesday morning. Therefore, the press appeared at the Orly Airport before the police did and for the first time French television cameras were able to record an incident of this kind from the beginning. This confirms that the hijackers had a propaganda objective in mind above everything else, that is, to provoke a press outcry against what is happening in Iran.

Negotiations began at approximately 10:00 am between the hijackers and the French police who were surprised to learn that the commandos had only a single specific request, namely, to meet with Mas'ud Rajavi, leader of the Mojahediye Khalq organization. The security committee that was quickly formed from representatives of the foreign and interior ministries and public safety and directed by the superintendant of police immediately went to Rajavi's residence and told him what the hijackers wanted. The security committee did not agree to meet the request, but the Foreign Ministry thought Rajavi had to be brought in. The security agencies refused, asserting it might be a "trap" to abduct Rajavi and deliver him to the Iranian authorities. This would be a clear assault on the "reputation and respect" for French security. Rajavi and his helpers in Auvers-sur-Oise were searching for the safest solution. They decided to leave the matter up to the French authorities. Rajavi was prepared to do whatever they asked him to. These contacts seemed to those inside the plane and in the airport to be taking a long time. The security committee meanwhile was making promises to gain time while the hijackers' leader named Ihsan was moving about nervously. About noon he asked that the plane be supplied with water and that the storage compartment be opened so that some weapons and explosives could be taken out. Tension was highest about 2:00 pm when the hijackers called the control tower and threatened to blow up the airport if Rajavi did not arrive there within an hour. Until that moment the security committee and the press believed the hijackers were members of the Mojahidiye Khalq, as they claimed to be, but Rajavi hastened to inform the French authorities that he was convinced of one thing, namely, the commandos did not belong to his organization because the Mojahediye Khalq do not use such methods either in the operations of the resistance or outside or Iran inasmuch as the organization has other means of helping its elements escape from the country. Moreover, the operational names of the hijackers suggest that they do not belong to the organization. The negotiations between Rajavi and the security committee ended in agreement on two (possible) solutions. The first was to link Rajavi by telephone from his residence to the plane, which would take a considerable amount of time. The other was for Rajavi to come to the control tower and talk to the commandos. At 3:00 pm Rajavi went by helicopter to the airport and spoke sharply to the hijackers, demanding that they release the hostages at once before any negotiations could begin. Everyone was surprised, perhaps Rajavi too, by the answer of the group leader: "At your service, my commander." The hostages were released and the six men surrendered to the French police who held them for questioning. The conclusion of the hijacking operation was followed by another operation that was to have no small political consequences for both the French and Iranian authorities and the Mojahediye Khalq whose leader Mas'ud Rajavi returned to the stage of events.

As for the French, Interior Minister Gaston Defferre asserted that France had no intention of turning the commandos over to the Iranian authorities. It would grant them political asylum if they requested it, but that would not prevent them from being brought to trial on the grounds that they violated international law, hijacked a plane, and detained a group of people. This was stated in many quarters which believe the French authorities had prior knowledge of the operation. However, the truth is that after giving up all hope of improving relations with Khomeyni's Iran, the French government was not hesitant about offering "humanitarian" aid to all the Iranian resistance groups most of which have their official headquarters in Paris. It is most probable that the French authorities did not have prior knowledge of the operation. They considered Rajavi a "savior" after his successful intervention to release the hostages. Until the last moment it seemed very likely that the operation was the work of "Khomeyni's guard" both as an attempt to kidnap Rajavi and as an answer to Claude Cheysson's recent statements in which he strongly criticized the repressive practices of the Iranian regime in an official speech before the French National Assembly. At any rate, after the hijacking the French government's previous doubt turned into the conviction that relations with Khomeyni's Iran are impossible and that, consequently, it would have to bet on the opposition, specifically Rajavi's group, first because this group is more active than any other and secondly because Bani Sadr, the warm friend of some socialists, made statements against France when he was president of the Republic of Iran that prevent French officials from trusting him completely after they bet on him when he was close to Khomeyni in Neuf-le-Chateau. Then when he became president he foiled relations with France by accusing her of launching an open war against Iran with the help of Iraq! The French press recalled these statements of Bani Sadr, apparently wanting to make sure that Bani Sadr is no more than a "former president" and that France should bet on the "next president," that is, Mas'ud Rajavi, especially since his intervention to save the lives of the hostages and facilitate the surrender of the hijackers as well as the "leadership" language that he used in addressing the commandos, despite the fact that the six men did not belong to the organization that he heads, bestowed on him, in reality and in propaganda, the quality of "leader of the entire Iranian resistance." It is the quality that Rajavi tries through the "National Council for the Resistance" to demonstrate and acquire. The French media portrayed him as the only strong man in resistant Iran in confrontation with Khomeyni's Iran, with Iran now having to choose between Rajavi and Khomeyni.

As for the official Iranian authorities who regarded the hijacking as a "French plot," it viewed Rajavi's mediation as French recognition of him and the Resistance Council. It therefore hastened to demand the extradition to Iran of the commandos and Rajavi, "leader of the terrorists," in the phrase of the official bulletin issued by the Iranian embassy in Paris. Nevertheless, the official Iranian reactions, including Rafsanjani's statement, show that the Iranian regime bears more than a "grudge" against France and that relations between Paris and Tehran will never be restored as long as Khomeyni rules Iran. This will hinder official Iranian efforts to restore relations with the Western European countries and the United States because France will continue to maintain its stance as "the defender of human rights in Iran" and defend this

stance in European and international forums. However, the Tehran government, perhaps out of ignorance or secret illusions, expects that pressure applied to France through methods like those used by Mohsen Reza'i or Rafsanjani will "frighten" France into renouncing her commitments to Iraq and some of the Arab Gulf states, which Khomeyni's Iran is trying to "swallow." In any case, the Iranian regime no longer has any means of seriously pressuring France except by issuing statements because France has restricted relations with Iran to the lowest possible level and thus cannot really be pressured. The French embassy in Tehran has only a single employee and a correspondent for the French news agency!

As for the Mojahediye Khalq and Mas'ud Rajavi, although the hijacking had no connection with the organization, it did give them what they were striving to obtain by other means. The hijacking has now consecrated Mas'ud Rajavi as a leader of the "Iranian resistance" after the French security authorities revealed that he exerts a powerful and effective spiritual influence even on those who do not belong formally to his organization. The operation also made people talk about him and the Mojahedin once more after the European news media had ignored for some time the activity, declarations, and statements of Rajavi not out of hostility to him but because events in the region and even within Iran obscured some of the small and sporadic operations carried out from time to time by Rajavi's men.

As for the hostages, they returned the same day to Tehran. Strange to say, one of the Iranian travelers on disembarking (at Orly Airport) created an uproar by trying to run away because he thought the plane had landed in the line of fire on the Iraqi-Iranian battle front. He did not calm down until he was informed by the police that he was in France. This incident shows the extent to which the Iranian regime uses violence and force to get people to the battle fronts. What is even stranger is that the man was a soldier, further confirming the fact that the Iranian Army no longer wants war, which has no justification other than the secret illusions and expansionist ambitions that dominate Khomeyni and those around him.

At any rate, the hijacking and landing of the Iranian plane in Paris, regardless of the agency behind it, achieved what the hijackers announced was the main goal of the operation, namely, to attract world attention to the repression, killing, and torture going on in Iran. but it also produced results that perhaps were not part of the commandos' goals, especially the political respect, foreign and domestic, that it brought Mas'ud Rajavi and the fact that it pushed Franco-Iranian relations to the point of no return.

After the Plane Incident: An Attack on Kuwait

No one expected the Iranian regime to attack the Kuwaiti government because of the hijacked Iranian plane that stopped in Kuwait a few hours. During this time 160 of the passengers--children, women, and old people--were released after the hijackers (6 persons) were provided with fuel and food.

Suddenly the Iranian press and Tehran radio and television were filled with articles, commentaries, and slogans attacking the Kuwaiti government and people.

The most violent attacks came from Rafsanjani in last Friday's sermon.

Rafsanjani said: "We do not have the slightest doubt that Kuwait was involved in the hijacking or the Iranian 'jumbo jet.'" Otherwise, why did Kuwait reject our advice to refuse permission for the hijacked plane to enter the Kuwait air space? Then, why didn't the Kuwaiti regime allow our ambassador in Kuwait to talk to the hijackers or plane crew? Does the Kuwaiti regime know we can retaliate against them in kind? We have many youths awaiting our orders to come to paradise. Does Kuwait know what we intend to do? Yes, our youth are walking over land mines to fly to paradise. If we order them to do something in Kuwait, Bahrain, Saudi Arabia, or France, they will banish sleep from their eyes and remain awake all night."

This is what Rafsanjani said. Those who know what the "political weather" is like in Iran can explain this attack as a kind of action directed not so much against Kuwait as against Khamene'i, President of the Republic and Rafsanjani's biggest rival.

The explanation is that the rapprochement which recently began to take place between Kuwaiti Foreign Minister Shaykh Sabah al-Ahmad and Iranian President 'Ali Khamene'i upset Rafsanjani greatly. Hashen Rafsanjani tried as hard as he could to wreck the bridges between Iran and Kuwait, bridges that arose between the two countries after the Kuwaiti foreign minister visited Tehran.

During that visit Shaykh Sabah al-Ahmad met with Khamene'i twice and the latter addressed him as "my dear brother." Even in the Friday prayer which coincided with the presence of the Kuwaiti foreign minister in Iran, Khamene'i said: "Thank God, our brothers in Kuwait understand our thoughts and good intentions toward them. We welcome them in Iran and hope our friendship and brotherliness will last forever."

At any rate, the honeymoon appears to have ended and once again talk has started of "threats" and "export of the revolution to Kuwait" as well as to Saudi Arabia, Bahrain, and Qatar.

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CSO: 4604/34

KING RECEIVES CREDENTIALS OF FOUR AMBASSADORS

BK131313 Katmandu External Service inEnglish 1450 GMT 12 Aug 83

[Excerpts] His Majesty the King received credentials from the ambassador of the Republic of Korea, (?Yi Chong-pin), the ambassador of Sweden, Axel Edlestam, the ambassador of Bhutan, Cashu Tashi Tobgyel, and the ambassador of Socialist Ethiopia, Brig Gen Amde Michael Melachew, at separate functions at Narayanhuti Royal Palace this afternoon.

Receiving credentials from the Bhutanese ambassador, His Majesty the King said Nepal and Bhutan are not only neighbors and friends, the relations go back to history and traditions. His Majesty [words indistinct] cultural affinity and shared values and ideas have come a long way toward strengthening of age-old ties between our two kingdoms. Both Nepal and Bhutan adhere to the policy and principles of nonalignment and their commitments to the Charter of the United Nations as well as their common faith in world peace and international harmony have led to mutual (?closeness) and understanding, His Majesty noted. With the formal diplomatic relations now established between our two kingdoms, it is my conviction that cooperation between us will grow and gain further momentum in the years to come, His Majesty said. His Majesty said the landlocked situation together with a similar state of economy, and also the common concern for improving the quality of the life of our people (?offer) prospects for greater exchange of experience and ideas between our two countries. (?We justly feel) that our participation in the activities of South Asian regional cooperation [words indistinct] yet another factor contributing to promote peace and (?stability).

Like Bhutan, the overriding concern of Nepal, His Majesty noted, is socio-economic development for fulfilling the (?dreams) and aspirations of our people. We have, therefore, directed our efforts toward this end.

CSO: 4600/852

NEPAL

BRIEFS

ENVOY TO BHUTAN APPOINTED--Katmandu, 11 Aug (AFP)--Bhutan's ambassador-designate to Nepal, Dasho Tashi Tobgyel, called on Foreign Minister Padma Bahadur Khatri at his office today and discussed bilateral relations between the two kingdoms. Mr Tobgyel arrived in Katmandu on Tuesday. He will present his credentials to King Birendra this Friday, official sources aid. Meanwhile, King Birenda has appointed Jagadish S. Rana Nepal's first ambassador to Bhutan. Mr Rana and Mr Tobgyel are at present their countries' ambassadors to India. [Text]
[BK121442 Hong Kong AFP in English 1013 GMT 11 Aug 83]

CSO: 4600/852

SOVIET AMBASSADOR URGES CLOSER TIES WITH USSR

GF211320 Karachi DAWN in English 18 Aug 83 p 4

[Text] V. Smirnov, Soviet ambassador in Pakistan on Tuesday said the Soviet people believed that relations between Pakistan and the USSR which have a long and glorious history will continue to develop in future on the basis of good neighbourliness and cooperation.

He was addressing a large gathering at a function at Friendship House in Karachi dedicated to the celebrations of Pakistan Independence Day.

Mr Smirnov said for the well-being of Pakistan and Soviet people and for the development of Soviet-Pakistani relations, they needed peace and disarmament.

It is our view, he said, that the difficulties and tensions which marked the present international situation, could and must be overcome. Mankind cannot endlessly tolerate the arms race and wars, if it does not wish to gamble with its future.

He charged that aggressive designs of imperialism were compelling them, along with fraternal socialist states, to concern themselves seriously with maintaining their defence capability at the people's level, but added that military rivalry was not their choice.

Mr Smirnov said the first thing that struck his eye in Pakistan was and is the fact that the ordinary Pakistani knew very little about the Soviet Union, which he attributed to many centuries--long domination by the colonialists. He said the desire to know about the life of the northern neighbour was noticeable here particularly among the young people. He said in our days the stream of reciprocal information had increased manifold books and periodicals about Pakistan, its history, problems and people keep coming out in the USSR. He said the Soviet-Pakistan Cultural Society was conducting extensive work. Its members delivered reports to a large number of people, telling them about the past and present of Pakistan.

He said works by Pakistani poets and writers were read with great interest in USSR. They come out in large editions in Russian, Ukrainian, Uzbek, Armenian, Georgian and other languages of the people of USSR.

He said the immortal works by the great Allama Iqbal were printed in the Soviet Union more than 30 times, works by Saadat Hasan Manto, Josh Malihabadi, Faiz and others enjoyed great popularity in Soviet Union.

Mr Smirnov said several industrial projects have been built or are being built with Soviet assistance.

The biggest one is important not only because it will provide the country cast iron and steel but also ensure orders to dozens of national enterprises and jobs to thousands of Pakistani workers.

He said USSR was also rendering assistance to Pakistan in the development of means of communications building power enterprises in particular. He said a power generating unit has been put into use at the country's biggest Guddu Thermal Power Station. USSR is also helping Pakistan to train scientific and technical personnel.

The program was rounded off with a cultural presentation-PPI.

CSO: 4600/854

SOUTH KOREAN AMBASSADOR COMMENTS ON BILATERAL RELATIONS

GF232024 Karachi DAWN in English 21 Aug 83 p 3

[Excerpt] Lahore, 20 Aug--The counsul general of the Republic of Korea in Pakistan, Mr (Chao Ui-o), has expressed his country's utmost satisfaction over the rapid growth of relations between his country and Pakistan in varied fields of activity to the mutual advantage of both and hoped that with the passage of time the ties between them would grow further bringing them still closer together.

Mr (Chae Ui-o) was speaking at a dinner hosted in honor of the visiting Korean traditional music and dance troupe by the honorary counsul of the Republic of Korea in Lahore, Chaudhri Shujat Husain at his residence last night.

The dinner was attended by the provincial law and education minister, Chaudhri Abdul Ghafur; representatives of foriegn missions in Lahore, high ranking officials, members of the Majlis-e-Shoora [Federal Advisory Council], and elite of the city.

The counsul general, referring to the growth of trade between the two countries, said it was expanding in size year after year. Economic and technical collaboration was also gaining momentum as both the countries were implementing their respective 5-year economic development plans.

He said attention was also being given to the promotion of the cultural exchanges between the two countries.

The Korean general said "In view of the rapid development of Islam in Korea in recent years, religious exchanges are also expected to increase. Photographic exhibition on "Islam in Korea" held last year in major cities of Pakistan, including Lahore.

In the sports field, he remarked that recently, Pakistan has been attracting keen interest in the Korean alpinists. An eight-member Korean expedition last month succeeded in scaling the virgin peak of Baintha Brakk in the Karakoram ranges of Pakistan, and that more and more attempts will be made by Korean expeditions to scale other summits including K-two within a few years to come.

As the interest of Koreans in Pakistan is growing day by day, the Korean Broadcasting Company recently sent a seven-member television team to Pakistan to make a documentary about the country's economy and culture. It will soon be shown on the nationwide Korean Television network, he said.

He believed that the visit this time to Pakistan by the Korean cultural troupe will immensely promote better understanding and consolidate the friendly ties, thus creating more favorable atmosphere for closer cooperation between the two countries.

CSO: 4600/854

POLITICAL PARTY ISSUES DRAFT MANIFESTO

GF181348 Islamabad THE MUSLIM in English 12 Aug 83 p 8

[Bureau report]

[Text] Karachi, 11 Aug--The Tehrik-e Istiqlal released its draft manifesto here today. In a press conference addressed by the vice president of the party, J. A. Rahim, the 51-page document, was distributed to the newsmen.

The main features of the manifesto are that the party stands for human rights, political equality and rights of all citizens, and strives to create a progressive democratic political system.

The party gives primary importance to social justice and its economic and other programmes aimed at reforms to achieve it, in every sense.

The party demanded all the communities to be treated on an equal footing, "in religion there shall be no compulsion, not even in a disguised form."

The manifesto emphasized an advanced industrial programme as it believed that only through production can the standard of living be improved. It consists of all the country, with its own programme to resolve them.

He said that the copies of the manifesto has been sent to all the members of the central and provincial executives, but has not been formally passed as they have not been able to hold a meeting of the general council of the party.

When asked, he said that no objection to any part of the manifesto has been received. It may be mentioned that the manifesto has been prepared by Mr Rahim himself.

Present in the press conference were Musheer Pesh Imam secretary general of the party and another Vice President Allama Aqeel Turabi.

Meanwhile, Mr J. A. Rahim observed that the country was being ruled by a handful of people, total power vested in a small group with some bureaucrats being given the illusion of sharing that power.

He said that mockingly sometimes the members of the government say that the political parties do not hold elections themselves, "such talk exposes the ignorance of the upstarts," he said. In a democratic state political activities are the fundamental right, the parties are formed according to the divergent views on all matters. "The structure of the political party is its own and depends on its requirement," he added.

He was of the view that the necessity of political freedom is that nobody outside should interfere in a political party's internal management.

He observed that the elections to the legislature involves all parties participating in it. "They have all got to be treated on equal footing, elections to the legislature have nothing in common with the internal affairs of the political parties but very much so with their activities."

The government, he said, was trying to impose upon the nation, a system of selection. "Whether a male candidate will be required to show a growth of beard is not yet known, but apparently, their piety is to be weighed on some scale," he concluded.

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